

Issue 125 November 2018

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WELCOME TO YPN

In this month's issue, we continue with the feature on going beyond standard residential property investments by digging a little deeper into the commercial sector and the opportunities that are available there. While this sector might naturally attract the entrepreneurially minded, you don't have to be prepared to run a business in order to own commercial property. Bearing in mind economics and the rules of supply and demand, which you have to do anyway for residential, the right property in the right place can be a solid investment that is just about as close to being hands-off as you can get with any form of property investing.

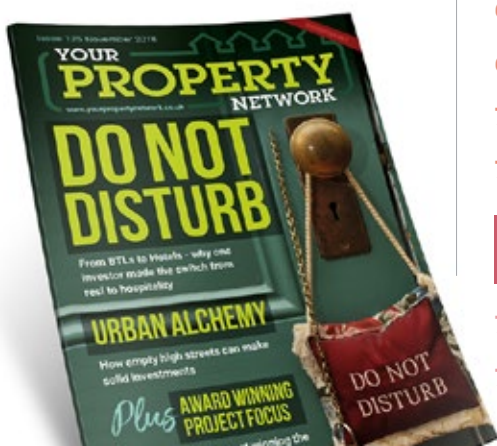
We haven't turned our backs on the residential sector though! In this issue, you'll find a case study on serviced apartments, together with an award-winner's tale of what investing life has been like in the year after winning the Property Investors Award for New Investor of the Year in 2017. In addition, regular columnists offer advice, updates and opinions on topics from tax and pensions to landlord legislation and keeping your rental properties in good order.

The more people we speak to while working on articles, audio downloads, the podcast and videos, the more it becomes apparent that there is no one-size-fits-all when it comes to property investing. Whatever your ultimate objective and your strategy for reaching it, I hope you find some inspiration in this month's issue.

See you in December!

Jayne Owen

EDITOR



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Introducing THE YPN TEAM



Ant Lyons

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



Mike Kyte

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



Jayne Owen

Editor
jayne@yourpropertynetwork.co.uk



George Haines

IT Manager
george@yourpropertynetwork.co.uk



Simon Clements

Creative Manager
artwork@yourpropertynetwork.co.uk



Heather Messenger

Customer Care Manager
heather@yourpropertynetwork.co.uk



Heidi Moment

Senior Writer
heidi@yourpropertynetwork.co.uk



Raj Beri

Writer
raj@yourpropertynetwork.co.uk



Angharad Owen

Writer
angharad@yourpropertynetwork.co.uk



Danni Fisk

Advertising & Events Manager
danni@yourpropertynetwork.co.uk

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

07807 236725

Come say hello...



@ypnmagazine

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INVESTING IN THE COMMERCIAL SECTOR

FROM BTL TO HOTEL, RETAIL, OFFICE, INDUSTRIAL ... AND MORE

Last month, in part one of this feature on property investments beyond the residential norm, we spoke to investors who had transitioned from BTL to the hospitality sector – B&Bs, serviced apartments and smaller hotels.

This month, we are following the same theme but venturing further into the commercial sector. We speak to **Nick Carlile**, a seasoned investor who has gone from building up residential portfolios for himself and clients, to investing in sizeable hotels. That's a big leap by any stretch of the imagination.

In addition, commercial investor **Dan Taylor** shares the benefit of his experience in the UK high street sector. Describing what he does as 'Urban Alchemy', Dan is challenging the notion that the high street is dead. Instead, he looks for the opportunities within the current climate. Yes, shops are closing down but certain types of businesses are doing well – think for example of coffee shop chains and convenience stores – and looking to expand. Which of course means that they will be looking for premises.

To complete this feature, we have a round up of the implications for funding and insurance, while **Jon McDermott** runs through an overview of the planning use classes.

Commercial property behaves differently to residential and most investors recognise that commercial values are based on rental income and a combination of other factors rather than the bricks and mortar. What might be less obvious is that the covenant of the tenancy can play an important part in the valuation. What this means is that a tenant with a national name might well translate into a higher valuation, as surveyors and lenders may consider that name more reliable and in better stead for a longer term tenancy than Joe Bloggs independent shop owner.

Consider that a rule of thumb perhaps, rather than an absolute. Because after all, some of the big names in the banking and retail worlds have withdrawn from high street premises (or sadly gone bust in the worst cases).

Despite the challenges, I rather like the commercial sector. Why? Because when you get it right, it can be the closest you can get to let-and-forget. With a fully repairing and insuring lease, maintenance and repair costs are met by the tenant, and there is usually a dilapidations clause that requires the tenant to return the property to the landlord at the end of the tenancy in a similar state to how it was at the start, assuming the property was in a decent condition at that point.

At the smaller end of the commercial sector, much can be directly agreed between landlord and tenant as long as everything is legally documented. And this is another reason I like commercials – because you're dealing with business people who, in large part, are prepared to take professional responsibility. There's always the risk of a bad apple tenant but the conditions of a commercial lease are far more in favour of the landlord in a situation where the tenant refuses to pay the rent.

In our experience of holding commercial units, they have been good for solid, reliable cash flow. We've had a couple over the years but sold one off several years ago to the owner of the tenant business. One that we

retain is a small, very old two-storey building with a pretty frontage, situated in the primary high street area in our county town. An estate agent's office (Class A2) when we bought it in the early 2000s, several years later we changed the use and refurbished it for A3 use as restaurant and bar.

I wrote about the conversion story several years ago in YPN, and though we didn't realise it at the time, it was probably one of the best things we could have done. As an A2, it would probably have languished as an empty unit but the area has since evolved into the bar / restaurant / night life quarter of the town. Our current tenant is in the process of expanding his bar business into the property next door.

His expansion, which involves knocking through adjoining walls, was a whole new ballgame of learning since we do not own the next door property. That meant revisiting the terms of the lease, checking insurances and ownership responsibilities and getting the legal teams involved. However, as a fully repairing lease, it will be the tenant's responsibility to make good again at the end of the tenancy. In addition, expanding the business should be an indicator of longer term commitment to the building.

Commercial property investment may not be everybody's bag, but it's well worth exploring given the changes in the residential sector. Enjoy the feature, and if you have experience of commercial property, get in touch and tell us about it!

Jayne



TURN EMPTY COMMERCIAL BUILDINGS INTO ROCK SOLID HANDS-FREE INVESTMENTS

IT'S SIMPLE, IT'S HUGE PROFITABLE AND IT HELPS TO REGENERATE THE LOCAL HIGH STREET

Interview & words by **Heidi Moment**

Dan Taylor is a self-professed **urban alchemist**, helping to regenerate local areas by developing distressed assets or empty shops that no-one else wants. Read on to find out all about it.

THE STRATEGY

Our strategy is facilitating the evolution of the high street by purchasing commercial properties that have been empty for a while, for a minimal cost, then making homes for residential tenants and high street brands, creating secure long-term income streams from long-term assets.

It's a great strategy for a number of reasons:

- Simple to execute
- Hugely profitable as it forces immediate capital appreciation
- Creates income for 15 to 35 years
- Helps high streets to regenerate, creating jobs and changing the local community through reciprocal financial benefits.

At our core, we are value investors. We like to buy and create value at the point of purchase. If we can't find an immediate and direct route to positive net monthly cash flow post full debt servicing and forced capital appreciation at the point of purchase, then we simply do not purchase.

REDUCED RISK IS KEY

The most exciting thing about the forced capital appreciation is not the increase in equity, it's the inherent reduced risk, which is a key part of this strategy. After experiencing a financial downturn between 2008 and 2010 we really don't like risk so we avoid it as much as we can.



As such, we use **leverage of strategy** as opposed to **leverage of debt**. Carrying significant gearing and debt going into a correction can turn your asset into a highly geared nightmare and can very quickly become a weapon of mass destruction as the banks become predatory on their own.

Nothing is risk free unless you're very lowly geared. We like to have lowly geared investments so that when the market correction hits (and it will) we will not only survive, but we'll be able to thrive.

HELPING THE HIGH STREET

As everybody knows, the high street is in turmoil at the moment. It's going through a massive evolutionary metamorphosis. Traditional high street retail stores are in decline, and recently we've said or are in the process of saying goodbye to BHS, Toys R Us and Woolworths, to name a few. HMV is also being taken out of the game by iTunes and traditional old-school retail is being replaced with technology and online sales platforms, such as Amazon.

Constant change and disruption in the market place continues to leave many high-street buildings derelict, unloved and decaying on the urban landscape. The 2008 crash produced significant fallout in the traditional retail high street, and the legislative governmental changes between 2006 and 2009 have also had a significant impact. Though where there is disruption and change there is also opportunity, and this is where it gets exciting.

"Lifestyle changes have seriously affected the high street – which is a great opportunity for investors"

Freedom Formula



FINDING THE RIGHT PROPERTY

When looking for property we essentially look for one thing - empty shops that have previously been used by industries in decline. We particularly love multiple floors, so we can do a mixed-use scheme.

You can double and triple values in commercial property overnight by creating alliances with brands such as Costa Coffee, Starbucks, Dominos, Lidl, Aldi and Co-op Food. We like to say we 'box a brand' by filling an empty shop or 'box' with a national high street brand.

Our model looks like this:

VP + HSB = IV

VP (vacant possession)
+ HSB (high street brand)
= IV (investment value)

Securing the brand on a long-term lease changes the valuation of the property from vacant possession to an investment valuation, which can create exponential growth overnight.

"Double or triple the property's value overnight"

GET THE GROUND FLOOR FOR FREE

The objective on every deal we look at is to try to get the ground floor for free, wherever possible. This is done by creating numerous alliances and income streams from multiple storeys, and structural stacking - an advanced strategy that can produce incredible gains and leave you with a commercial property with no outstanding debt.

CASE STUDY

TEN-PIN BOWLING ALLEY

The property

A 13,000 square feet single storey building in a great location, previously used as a ten-pin bowling alley with a bar, restaurant and games arcade.

The strategy

The bowling alley is definitely an industry in decline and the business wasn't doing great. In fact, to maintain profits while we secured national tenants we had to constantly trim costs as sales eroded.

Town regeneration

The kind of regeneration that can happen from this kind of strategy is quite incredible. As a bowling alley it employed eight local people, but after development the building now employs 109 people.

The council were happy because more jobs had been created. And their income from housing was going to increase over 20 years from £1,000,000 to £4,000,000. Local suppliers were also happy, as they were getting a lot more business. The building went from a turnover of £400,000 to £7.2 million between the various businesses that are housed within that building.

The numbers

Purchase price:	£1.25 million
Money spent on refurb:	£ zero
Value now:	£4 million
Annual rent:	£210,000
Lease Length:	15 to 35 years

The increase in value hugely reduces the risk in the property. We've basically got a very lowly geared investment that will survive and thrive during the next economic correction.

Tenants

Finding tenants can be difficult when you're first starting out. But it's worth putting the work in to get the right tenants. This one took a while but eventually we secured five great tenants.

JD Wetherspoon

Rent: £72,000 a year

Lease: 30 years, breaks at 10 & 20 years

Co-op

Rent: £48,000 a year

Lease: 15 years, no breaks

Costa Coffee

Rent: £36,000 a year

Lease: 15 years, breaks at 6 & 11 years

National Arcade Chain

Rent: £44,000 a year

Lease: 15 years, no breaks

Government quango, the asset owning division of CalMac Ferries

Rent: £10,000 a year

Lease: 35 years, no breaks

CalMac Ferries are my favourite tenant. We have a section of beach within the grounds of the property, which is prone to getting weeds, so we used to constantly get in trouble from the local councillor due to complaints from constituents, so we had to spend about £1,000 a year on tidying it up.

After lengthy negotiations, we secured a 35-year lease with CalMac. It's only 10k a year, but the value of the lease over the 420-month period is guaranteed at £350,000 and taking into account rent reviews during that time, we actually estimate it to be around £477,000. So we're happy. But the most exciting thing is that I don't get that phone call about the weeds on the beach!



NOT JUST ANY OLD TENANT

Your choice of tenant is key to success in this strategy.

When asked why he was so good at ice hockey, Wayne Gretzky, the famous Canadian ice hockey player, once said, *"It's really simple. I never skate to where the puck is. I always skate to where the puck's going to be."* We use the same principle in commercial property and urban alchemy. We reverse engineer the process, by finding out who our 'puck' is and where they want to be next, and then give it to them.

"Target brands that can't be replaced by technology or Amazon"

Our pucks are convenience and service-based brands that rely on human-to-human interaction, and can't be taken out of the game by improvements in technology or Amazon, such as Domino's, Costa Coffee, Starbucks and Papa John's.

We have a database of target 'pucks'. We have their contact details and we do lots of digging to find out where they want to expand to in the next six to 18 months. Then we go there and find a vacant commercial property, and then take it from there.

To do this we need to be completely abreast of what's happening in the macro economic and demographic environment. We always look for a tenant who is still in the growth phase of their business, and who will stay there for 15 years. If they're in a growth phase, in 15 years' time that means one thing to us - they're going to re-sign the lease, which means we've got a tenant for 30 years.

GROSS PROFIT = NET PROFIT

One of the beautiful things about commercial property done right is that it's hassle free. After you have secured the right tenant, it's really a **'set and forget'** strategy.

The other amazing thing is that the gross rent equals the net rent. With residential you have agent's fees, repairs, maintenance and insurance. Whereas with commercial if you set it up right and have a **Full Repair Insuring** lease, your tenant pays for everything, so you don't have to. Hassle-free.

"Your tenants pay for everything"

CASE STUDY VIKYS

The property

A 3-storey property with a basement, situated in a fantastic and beautiful location, on a prime trunk road overlooking the west coast of Scotland. 13,000 square feet in total.

It had a bar and restaurant on the ground floor and rooms to let upstairs. Plus six flats to the rear that used to be let out to affordable housing.

It had been empty since 2012 and was in a hell of a state, with water features and trees growing everywhere. A private investor from London had purchased the property with a view to developing it, but in four years he couldn't find a viable commercial solution, despite trying very hard and spending a lot of money with his professionals, so it was just sitting empty. Hundreds of thousands of people passed this property every year, but no-one did anything about it.

It came on my radar after doing one of my 'walkabouts' of the local area, and I decided to track down the owner, by pulling the title from land registry. After getting the Companies House report from Experian to find out who the officers were I called the owner. He was in South America at the time. I remember talking to him as if it was yesterday - the clear exasperation in his voice is very memorable. He said he'd spent £100,000 buying it plus another £37,000 in professional fees and still couldn't get it to work. He was delighted when I offered to buy it off him.

He said he would need £10,000 for his time and we agreed a price of £147,000 because I was quite keen to get it. In hindsight, I probably could have got it for less than I did, but I knew I was getting a fair chunk of real estate for that so I was happy.

To be honest, at the time, I never had a guaranteed plan of attack. I knew this was an amazing property because I knew the patch like the back of my hand. I had four possibilities swimming around in my head, but nothing was set in stone. This isn't how I normally work, as I usually like to tick all the boxes to make sure a project is safe and the risk minimised before purchase, but I knew I could make this one work, so I bought it.





The strategy

The plan was to develop the building into 12 apartments upstairs for affordable housing, plus two commercial units downstairs.

We purchased 13,000 sq ft for £147,000. We then sold the property to the local housing association for £175,000. They paid for the planning application, architects, structural engineers, asbestos checks and removals, plus all fees. So we made a small profit there without doing anything. We then put them on what I call a **boomerang contract**, which had very onerous obligations on their part. They have to demolish, finance and build out the 12 apartments and two commercial units. And they are obliged to deliver the finished units by a certain point in time, and if this isn't met they will pay us £956 a week in damages. This is currently being discussed as the development was delayed.

They are happy because they are getting 12 new affordable apartments in that area, which really helps with their quota. And we're happy as we are developing a new build without being "Bob the Builder" and more importantly without all the risk.

We are then going to buy the two commercial units back for £50,000 each, at which point our net cost would be £72,000. We're happy with this as we've just had it valued by DM Hall at £520,000 without a tenant, and up to £750,000 with the right tenant on the right terms.

The tenant

Right now we're negotiating with a number of tenants. We've set the rent at £52,000 per year and are looking for a 15 to 20-year lease with reviews every five years.

The tenants are responsible for every single associated cost with this property, as is normal in commercial, so although we don't have a tenant right now, we can sit tight and wait for the right tenant. Plus, if it doesn't get delivered on time we will get paid damages, which is pretty cool.

FORCING CAPITAL APPRECIATION

As well as being simple this strategy is incredibly safe, because you're forcing capital appreciation. You're not waiting for the market to move up. You're actually forcing it, by doubling and even tripling the value. On this one we're increasing the value 7 to 10 times. Its value is going from £50,000 to £500,000, as soon as we get it back. Then when we get a tenant, the value increases again to between £520,000 and £750,000, which is great.

"We've increased the value by 10 times"

The reason it increases in value so much is by changing one thing - how the property is valued. Changing it from a vacant value, which can be very low, to an investment value, which can be high. Investment value is based on 2 simple things; **the strength of the tenant** and **the terms of the lease**, as determined by a commercial property surveyor.

The way this is valued is a very simple formula:

$$\text{Rent} / \text{Yield \%} = \text{Value}$$

Choosing the right tenant is absolutely key to this part of the process, as different tenants are valued differently. For example, if you had a choice between renting your space to Co-op Food Group or Tom the tattooist, it's a safe bet that Co-op would be valued higher, due to the inherent risk perceived by the surveyor.

Example:

Tenant	Co-op	Tom the tattooist
Rent	£50,000	£50,000
Yield	6%	15%
Gross yield annual value	£833,000	£333,000



Upon securing a tenant I usually take a 15-year fully amortising vanilla fixed hedge product. This basically means we are securing a fixed rate for the duration of the loan and we are also fully repaying the debt over 15 years. After five years the equity spread can become very nice, as the debt is a third of the way through its term and you have a rent review to increase rental and value further.

The Numbers

Purchase price	£147,000
Money spent on refurb:	£0
Value now:	£520,000 without tenant, £742,857 subject to the right tenant on the right terms
Rental:	£52,000
Value Increase:	10 times

CASE STUDY PAISLEY

The property

A three-storey property with a lower ground floor, right next to the university in Paisley.

Previous use: On the ground floor was a greasy spoon café at the front and an amusement arcade at the rear. On the first floor, was a pool room with American and English pool tables and on the second floor was an English snooker hall. So, a number of diversified income streams.

The purchase

This property had been on the open market for more than two years, for £340,000 or £40,000 yearly rental and £75,000 key money to take over the business.

We negotiated for around nine months, and finally agreed a lease option. We agreed a rent of £15,000 a year with no premium and an option on the property for £150k for five years. This significant saving came because I dealt with the buyer directly, getting to know him and his motivations and in the end I made a friend and then made a deal. I was happy to help him and he was happy to get rid of the property.

“Getting to know your vendor helps to understand their motivations for selling”

The Strategy

When we took over the business we went to see the bookkeeper and did a P&L and found out it was actually losing money, so we had taken on a liability. We had to spend some time trying to turn the trading business around first, which at first seemed daunting, but was actually more straightforward than we thought. We managed to save £1,000 a week simply by restructuring operations and reducing weekly staff overheads.

After that, we facilitated a management buy-out for the manager on a long-term lease who paid £30,000 as a down payment simultaneous to us buying the property so the net cost for the property was £120k. The rent was agreed at £36k and so we have a not too shabby 30% return on this one and positive cash flow after debt servicing of capital and interest over 15 years.



The Tenants

As with the other developments the plan was to secure a high street brand, but as Paisley is very much almost a ghost town these days, this was harder to secure than we'd hoped. We had eight brands interested, which then became three, and then they all fell away one by one. So in essence this deal represents a failure, as I never secured a national brand, though it does give me a warm feeling inside as I helped an employee, a great guy, cross the bridge into entrepreneurship and that lights me up.

The Numbers

Purchase Price:	£150,000
Refurbishment cost:	£0
Downpayment for business from manager:	£30,000
Total cost in	£120,000
Annual rent:	£36,000
ROI:	30%

FINDING COMMERCIAL TENANTS

Getting tenants lined up prior to purchasing the building is always essential, and these days we wouldn't proceed, or recommend to others to proceed without doing so.

When we target the right brands through our database we find there is plenty of scope for development and we work with the brands to provide the buildings they want. For example, the Co-op Food Group have 14 brand acquisition managers up and down the UK. Each manager is working with an agent hunting for properties, so there is a real need for properties. In fact, the first seven brands on the database need 5,000 shops over the next five years, which means a huge opportunity for us.

In addition to 'that 800' banks are either closing or have closed and 28 pubs have closed down each week since 2008, which is quite incredible, but also shows us there are buildings there ready and waiting to be developed, and tenants there ready to take them. You just need to marry the two together.

TOP TIPS

- Turn empty shops into secure long term income streams by creating alliances with high street brands.
- Be aware of what's going on in your local high street, and observe the brands that are missing.
- You can force the capital appreciation of the underlying asset. If you can't get a direct route to that, then you're buying a liability that you could be sitting on for years.
- Get a good commercially savvy solicitor.
- Always shorten the time to get results by learning from someone who has been there and done it.
- Always use leverage of strategy as opposed to leverage of debt to secure safe investments that will survive and thrive the next correction.
- Always try to create a human connection between you and the seller. Have empathy. Walk in their shoes to find out the real motivations behind the sale. It will help you get the right result for both of you.

“It's simple, but it's not easy. Nothing's easy. Nobody gets this kind of income for nothing”

CONTACT

More information:

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AN INSIDER'S VIEW INTO INVESTING IN THE HOSPITALITY SECTOR



WHY ONE INVESTOR MADE THE SWITCH FROM BTLs TO HOTELS

Interview: **Ant Lyons** / Words: **Raj Beri**

Even an experienced investor might need to adapt to changes in the market by switching investment strategies.

Nick Carlile has a **HUGE** amount of experience in the BTL and HMO sector. But in this interview, he explains his rationale for switching strategy from BTL/HMO to investing in the hotel industry and outlines his progress and challenges.

YPN: Could you start by sharing your experience in property?

Nick: I've been involved in property for 25 years. In the early days, we helped clients buy HMOs, even before people really understood HMOs or had even heard of them. I then moved into portfolio building in Yorkshire and between 2010-2014, we bought a lot of properties for ourselves and our passive investors – 474 properties to be exact!! I was born in the area and had investments there so I knew the market and we were able to secure BMV properties with strong yields.

YPN: A hallmark of a successful investor is the ability to adapt to change. You have switched strategies but it's been a challenging transition ...

Nick: The good old days of "same day" refinance with Mortgage Express literally disappeared overnight and it killed that specific market. To be honest, this product shouldn't have been around and it was almost too good to be true. We continued buying after that, even when there weren't a lot of buyers around due to the global financial crisis. It was a very good time to buy and we were able to buy at genuine 20%-40% discounts with a 12%-14% yield. We were able to add value through refurbishment and go back to the lender six to twelve months later to refinance the initial capital investment. Unfortunately, the market started to become a bit more saturated as more and more people became involved.

The mortgage lenders made a decision that they weren't going to deal with property clubs because they'd been burned by some off-plan investments previously.

We went to the very top of some of these lenders and showed them that we weren't a property club, which they accepted. However, they were still not comfortable with our model, so mortgages became very difficult for our clients, both in the UK and overseas. In addition, surveyors became wary of BMV properties and therefore much more strict at valuing them at or closer to the purchase price, even though they were being bought at a genuine discount and were worth a lot more.



"Unlike a lot of portfolio-building companies, we didn't put the company into administration or liquidation."

We worked our way out of it and have refunded literally hundreds of thousands of pounds worth of fees back to our clients so they didn't suffer undue financial loss. At the end of the day, our clients were promised

something that ultimately, we couldn't deliver. Ironically, as mortgage products that worked for us disappeared, a lot more finance appeared in the market, which meant that far fewer vendors were motivated to sell through financial reasons.

YPN: How did the opportunity for hotel investments come about?

Nick: I met my (now) business partner when he was running a sales agency using a model where investors could buy a single hotel room. He had tapped into a number of hoteliers who essentially wanted to sell their hotels using this model. It's a way of funding a hotel in that you buy a hotel then carve it up into segments/rooms and then refinance each individual room. When we met, Lee and myself had a conversation about actually "owning" property and we went on to do a few deals together. These were some small development projects, which had excellent yield – I've always chased yield. Personally, I don't subscribe to just buying property for capital growth because unless you've got very good income coming in from a job, you'll need income from property. The reason businesses fail is due to insufficient income and not due to weak balance sheets and so we've always chased yield.

The move into hotels wasn't deliberate. We didn't sit around and think, "Right, Okay, what we should do next is buy a hotel." We were chasing yield, so we did some development projects; we bought a care home and a couple of hotels. We just jumped in feet first, knowing that we could figure it out along the way, but we put as much risk mitigation in as possible. We surrounded ourselves with lots of experts and came out of that initial one-year period realising that care homes are very difficult to run – it took us a year from buying the care home to getting a single penny out of it. So we decided that care homes were too slow for us – even development projects can be challenging as you are ultimately trying to predict what the market is going to be like in 18 to 24 months' time. Coupled to that, people often

ignore the true costs of developments, eg costs of finance, arrangement and exit fees etc. For me, it's always been about predictability of income, so we made a decision that we weren't going to buy hotels that were closed, or build new ones or convert buildings into hotels. We were just going to buy hotels that were trading.

YPN: Tell us more about the hotels you are acquiring?

Nick: We have a portfolio of 20 hotels, which includes Travelodge, Ibis, Comfort Inn, Best Western and Holiday Inn brands, and we have some unbranded hotels. The branded hotels are just that, ie brands. Most of them don't own the hotels, so in a lot of cases they're just marketing organisations. Essentially, we have a licence to use their brand and they support the hotels that we have and provide guidance, but it's our business and we own the building. We also buy hotels from individual owners who have got one hotel and might be selling it for any number of reasons, eg retiring or perhaps just exiting because the hotel is not performing well. We have purchased quite a few retirement sales and also purchased from owners who feel that they've taken the business as far as they can.

"One of our best performing hotels was previously run by an old builder, who had done an amazing job over a 10-year period, but just hadn't realised that the Internet had arrived!"

It was a great hotel and doing well due to repeat business, but sadly it was languishing in the 1970's from an operational point of view. We look for opportunities to add value, so in this particular hotel, part of the deal was for the hotelier (builder) to build us an 18-room extension! We try and add value wherever we can, for example by adding rooms, or through refurbishment or by rebranding because the positioning or the location or the type of hotel doesn't suit the existing brand. First and foremost we're looking for yield, then we're also looking for ways in which we can add value.

YPN: Can you tell us how you have financed hotel projects?

Nick: We've used a combination of things. Ultimately, we want to get a mainstream bank to help us finance these hotels – all mainstream banks have specialist hotel divisions. However, until we'd bought seven, they just kept asking us, "Well, what do you know about running hotels?" There are a number of ways in which you can get around that objection, eg you can buy hotels and get some first-hand experience, which is partly what we did. To help us get started, we used bridging finance plus our own money plus investor money, but we're constantly looking for creative ways to finance the deals. Another way of getting around the question of, "What do you know about running hotels?" is to hire in that help. In the early days, we hired hotel management companies to run our hotels so that we could tell the banks, "Well, actually, we've got this team of experts running the hotels."

There isn't a model where you can buy a hotel, run it for two years and then pull all of your money out, as the LTVs are too low. For example, we have just bought a hotel for £3.75million and the LTV is around 55%. As I mentioned, we use investor finance and probably have around 40 investors who earn 12% return on their money. We've also done a couple of lease options on hotels with a five-year option to buy at today's price but in that five years, we can really drive up the income.

CASE STUDY

HALLGARTH MANOR HOTEL, DURHAM

24 bedroom hotel with bar, restaurant and function room for weddings and events.

Purchase price:	£1,450,000
Costs and stamp duty:	£30,000
Refurbishment:	£1,700,000
TOTAL COST:	£3,180,000
 EBITDA:	 £350,000
 Valuation after refurb:	 £3,500,000
 Profit after refurbishment:	 £320,000
Profit on cost:	10%



LOUNGE



We secured this hotel on an option for 18 months. In this time, we got to know the hotel and created a plan for its full refurbishment.

We then bought it using a combination of bridging finance, our own money (we put some of our own money into every deal) and money from investors. The investors received a 12% pa return on their money, which was paid on a monthly basis at 1% per month.

Since completing the refurbishment we have just refinanced to a bank, which has enabled us to pull out all of the money from our investors and the bridge finance company. We will do a further release of capital within the next 12-24 months to release all of our capital as well.

The annual profitability looks like this now, even after paying our investor 12% per annum.

Valuation after refurb:	£3,500,000		
Loan based on 65% LTV:	£2,275,000		
EBITDA			£350,000
Cost of bank finance 3%	£2,275,000	3%	£68,250
Cost of investor finance left in at this stage	£400,000	12%	£48,000
Net profit			£233,750

It's important to appreciate that hotels are valued differently from residential property. Hotels are valued as a multiple of their EBITDA – this is Earnings Before Interest, Tax, Depreciation and Amortisation. It's the profit before the cost of finance and before you've amortised any major building works. Valuers and banks will look at the EBITDA and they'll apply a multiple which varies depending on the type of hotel, where it's located, how well it's established etc. We typically buy hotels at less than 10 times EBITDA.

So if the hotel generates £100k of EBITDA we want to buy it for less than £1m.

YPN: In terms of securing hotel investments, what's your sourcing strategy?

Nick: There are some well-established commercial agents – companies like Colliers, Christie's, LSH and GVA all have hotel arms. There are specialist agents like Fleurets who are more specialised in pubs but also have hotels. In addition, we have a database of hotels throughout the UK and write to owners directly because a lot of people interested in selling don't want anyone to

know that they are selling. They don't want the staff to know because they might leave, and they don't want customers to know because, for example, someone considering the hotel as a wedding venue might look elsewhere if they become aware of a potential sale. In these cases, discretion is key and in a recent deal, we bought a hotel in the Cotswolds where the staff were only told in the week of completion.

YPN: What is your role – how much day-to-day involvement do you have?

Nick: There are three parts to our business – the finding, the funding and the running of the business. I spend the majority of my time in the first two.

“Finding hotels to buy isn't that difficult and I could easily find one in a short period of time as there are lots on the market all the time.”

The key is finding the right ones to buy that will deliver the yield that we need. The legal process of buying a hotel is quite intensive due to the extensive due diligence. In terms of hotel management, we have great teams that run the hotels and we have regular involvement with them and receive regular reports from them. In the early days, we hired hotel management companies but at the start of this year, we moved away from this model to hiring our own people. We've now got a commercial director, an operations director, HR people, events people, ie specific heads of department, and we have General Managers (GM) in each hotel who oversee the running of their specific hotel.

YPN: In terms of KPIs, what are you looking at when you're assessing the business?

Nick: We look at everything and if anything, we're probably overrun with data. The exciting part of this business compared to BTLs, is that the margins are not as slim and there are typically six revenue streams – rooms, food, beverages, weddings, corporate events and in some hotels we also hire out the car parking. The really exciting part of the business is that, *“If the revenue this year is a million pounds, it could be two next year”*, as



SANCTUARY SUITE



there are countless things we can do to improve the revenue. One of these is tweaking the room rates daily or even hourly depending on demand. Other variables are big events – we have a hotel in Chester close to the racecourse and the room rates will be increased by 20%-30% on race meeting days.

YPN: It sounds like a very exciting and dynamic business, but how is the hotel market changing with the arrival of Airbnb and SA?

Nick: Airbnb and SA are massive and definitely taking specific nights away from hoteliers, but I can't change that. What we can do is make our hotels better by generating more revenue. Airbnb hasn't generally arrived in the locations where we buy hotels. We don't buy in big cities because the yields are too low, so we buy in "secondary towns" like Chester, Durham, Hartlepool, and Darlington. As an example, we bought a 55-bedroom hotel in Hartlepool for £1.5million and our average room rate is £70 a night. The same building in London would be at least £15million, but the room rate wouldn't be 10 times that. It wouldn't be £700 a night, so the yield is much lower.

We buy in these secondary locations because we're constantly chasing yield.

Occupancy is obviously important but it can be complex and difficult to pinpoint, with so many factors which change constantly, eg reviews received, refurbishment standards, the quality of the marketing. I'd encourage everyone to invest in hotels but people who want all the boxes ticking with a nice spreadsheet are going to find it difficult because the business is so dynamic.

"In my opinion, there are enough ways in which you can influence your own business without worrying too much about the external factors."

If you buy a pre-existing hotel rather than set one up from scratch, you can analyse the figures to help you make an informed decision and then improve an under-performing business to increase revenue.

You could trial things like including breakfast to see if that has a big impact on revenue – if not, you could reverse it and trial or tweak something else.

YPN: If BTL investing in dying, why aren't more people looking at commercial opportunities?

Nick: It's a combination of (a) the fear of the unknown and (b) the requirement for more capital. But let me address the BTL sector first because I've written a lot about BTL being dead and not everyone agrees with me, so let me clarify. I think that BTL as a long-term pension provision for additional security in later life is not dead. It's still a great way to park money if you have spare cash and if you're not relying on an income from BTL to fund your lifestyle. As an income generator it's well and truly dead.

With respect to commercial opportunities, more people are getting into this sector. There are people out there doing hotels without really calling them hotels, and I'd put SA in this category. The way this is being taught is flawed because people are being encouraged to keep below the VAT

CASE STUDY **TRAVELODGE SEDFIELD**



A 40 bedroom Travelodge that was purchased from receivers.

This also had a closed down little chef on the site which we almost demolished in order to remove the business rates liability

Purchase price:	£802,500	Valuation after refurb:	£1,600,000
Costs and stamp duty:	£40,000	Plus the sale of Little Chef:	£180,000
Refurbishment:	£180,000	TOTAL VALUE:	£1,780,000
TOTAL COST:	£1,022,500	TOTAL PROFIT:	£757,500
EBITDA:	£160,000	Profit on cost:	74%

We bought the hotel using bridge finance, our own money and money from investors. The investors received a 15% return on their funds within nine months.

We refurbished it using Travelodge's specification and their team. Travelodge manage this hotel for us – it's the only one of our 21 hotels which is managed externally as we now manage all of the others ourselves. Two others are leased to other operators as they are too small for us to actively manage.

Shortly after acquiring this hotel, we found a local Indian takeaway restaurant owner who wanted to buy the Little Chef site and building from us and we sold it for £180,000. This was over 20% of the overall purchase price.

Valuation after refurb:	£1,600,000
Loan based on 65% LTV:	£1,040,000
EBITDA	£180,000
Cost of bank finance 3%	£1,040,000 3% £31,200
Cost of investor finance left in at this stage	£200,000 12% £24,000
Net profit	£124,800

Little Chef Outside



threshold. If your turnover in an SA business is less than £85,000, I'd be surprised if you're actually coming away with any more than £10,000/year. If you are looking to build a business, you need to bust through that VAT threshold and go way beyond it because if you are at say £90,000, then 20% of your income disappears in VAT!

YPN: What size is your business at the moment in terms of the number of hotels/rooms/turnover?

Nick: We have 20 hotels with over 700 rooms, our average sized hotel is 37 rooms, and we employ around 400 people across the board. We don't buy smaller hotels now though we did buy them in the early days as a stepping-stone to learning the business. If you are thinking of going into hotels, you should consider just buying something that you can manage and something that is affordable. Our biggest hotel has 81 rooms, but it took us a few years to get to that point in terms of being able to finance something like that. The total turnover including the latest acquisition will be around £18million. One point I'll make is that we've bought lots of hotels from owners who have made a very good living out of running just one hotel, but they've worked in the business. I recognise that some people might want to live and work in a hotel but that's not what I want to do.

I don't spend all my time in the hotels we own because that's not my role in the business. The team that we've got to run them are far more experienced, far more knowledgeable at running hotels than I would ever be, so I don't interfere too much in their role. For people out there listening and thinking, "Oh, maybe I could try hotels", just start with one. We bought just one hotel first and now, three and a half years later, we've got twenty but that's the journey we're on. Some owners with one hotel were earning £400,000 a year. I don't know many property investors who earn that from a portfolio of BTLs.

One problem is that some of the educators will tell you how easy it is, eg "You go on this course and tomorrow you'll be a millionaire," or "You implement these five steps to whatever". For us, it's been hard work that's required a lot of time and effort. It's not been easy, but it has been enjoyable. If you're looking to make a six-figure salary, my view is that it's less work than if you were in corporate life. There's nothing to stop you selling your house, buying a hotel, living in it, getting it up and running then employing a GM and moving onto the next one. That's a strategy! As I've already mentioned but I'll stress again, the exciting thing about hotels is that you can drive the business and there's always more you can do to drive the revenue and reduce the cost.

USING PRIVATE INVESTMENT FUNDS

We work with private investors but always put our own money into every deal as well. We give security, which is backed by robust legal documents, and we pay 12% per annum to our Investment Partners. We keep the process simple and straightforward and people are welcome to get in touch with me to find out more. We typically start with new clients for a year, so they'll put money into a specific project for a year and we'll program that money to be returned in a year. Our Investment Partners invest from one to five years, but when starting out, we recommend that they give it a try for a year. At around nine months into the one-year period, we'll start talking to clients about repayment of their funds or perhaps moving them into another deal.

YPN: To date what has been your experience of investing in hotels – have there been good and bad experiences or perhaps things you just didn't predict?

Nick: There are ups and downs on a daily basis and things that you wouldn't predict do crop up! This isn't like BTL where you know your rent is going to be fixed within a very fine range. I'll give you a couple of good and bad examples/experiences. We bought a hotel where the vendor had falsified his accounting information. That's tied up with a whole legal warranty issue and the lawyers are dealing with that at the moment. Irrespective of that issue, we are working hard to get that hotel to the best place that we can in terms of income. We've just said, *"Right. Okay. Let's park the warranty thing as a separate issue to be resolved by the lawyers and let's do what can we do to improve the profitability of this hotel."* However, in light of this experience, we've strengthened our due diligence and put more checks into place. These days, before we commit to a hotel, we've typically spent £10,000-£20,000 on surveys and valuations just to try and prevent this from happening again.

A more positive example is where we acquired the Travelodge at Sedgefield, which Travelodge had put into a Compulsory Voluntary Arrangement (CVA) a few years earlier, so we essentially bought it from the receivers who were running it. The purchase price was £800,000 and it has 40 rooms but the site also had a closed down Little Chef, which we hardly noticed. We thought that the best thing we could do with the Little Chef was to knock it down to avoid paying business rates. As we were preparing to bulldoze it, a local Indian restaurateur in the town made us an offer and bought it for £180,000. He then turned it into an amazing Indian restaurant.

So there is definitely the rough and smooth in this business but I would back the team and myself in our ability to sort anything out. We don't take unnecessary risks, for example we only buy operational hotels. For our due diligence, we have four different lawyers who look at different aspects of the purchase transaction but it's impossible to tick every box, so one just has to get better and better at risk mitigation.

YPN: When you are doing an initial appraisal of a hotel, what sorts of things would you be looking at?

Nick: The first filter we always start with is the accounts. The EBITDA has to be at least 10%, so if the hotel is costing a million pounds, it needs to be delivering £100,000 of EBITDA because financing will be difficult without that. That allows us to exclude 95% of the hotels that we come across. Then,

to get to that true EBITDA figure, you have to delve a little bit deeper into the accounts which can be challenge, because a lot of people don't keep very good accounts. The biggest benefit of buying bigger hotels is that the accounts information tends to be better.

It can be the case that individual owners don't declare all their income. Hotels have a lot of cash sloshing around but the reality is that if you're not declaring the true income, it's going to affect the selling price. Owners can't have it both ways.

"We've come across owners who have had years of taking money out of the till without declaring it and then expecting you to pay a price based on this invisible income."

The valuer is going to base any valuation on the accounts, as that's all he has to go on. Once we have verified the income, we'll look at the building. We'll get the main items such as boilers checked, because a boiler in a hotel can be £50,000. We get a proper building survey done and also a specialist Mechanical & Electrical (M&E) survey. If everything checks out, we'll be at a place where we think we can do a deal.

All this is happening before the legal process starts and in all honesty, we'd rather spend £10,000 and get to a point where we know whether the boiler needs renewing or there is asbestos everywhere or the roof has got a major problem. In such cases, we would either pull out or renegotiate with the vendor; we've made the mistake of trying to save money early on, only for it to cost us a fortune in the end.

If all looks well, the legal process can begin in earnest. But even at that point a lot of things can affect the deal. We did a deal which came close to failing late on because it turned out the owner had promised in an employment contract that his GM and head chef would each get a 40% profit share at sale. We managed to renegotiate and the owner ended up buying them out of that entitlement in their contract, but that deal almost didn't happen. On another deal in Ironbridge, an issue came up on the day of completion which we tried to resolve through compromise but without success and it cost us around £30,000 in various fees (surveys & legals). However, it is

better to spend that £30,000 than to buy something that was going to be a major problem further down the line.

On the question of creating a brand, first and foremost we're investors and not hoteliers. If we were hoteliers we may end up with a brand but it's much easier to tap into some of the big brands for probably a lot less than it would take for us to build our own. Our first filter is income so we've got three- and four-star hotels and a number of hotels that are just *"room factories"*. Our portfolio includes well-known brands such as Travelodge, Ibis, Holiday Inn, Best Western and Comfort Inn.

YPN: What are the potential pitfalls for people moving into this type of investment?

Nick: I think you've got to have a good grasp of the numbers to know how the hotel is performing. That's why we don't buy closed hotels because you're then trying to predict what the hotel can do. It's a lot easier to take someone else's business knowing what it delivers and then improve on it. We actually agreed a deal on a piece of land up in the Peak District, but frankly, the cost of building new rooms is more expensive than the cost of acquiring existing ones, plus you've got the delay and the risks in developing a building. Compared to the two years it would have taken me to build that hotel, I could have had two years of income from another one that's up and running.

In terms of someone thinking of embarking on this strategy, there is plenty of help out there – hotel management companies for instance, and I am more than happy to recommend the one we have used in the past. I am assuming that most people reading this are similar to me in that they want to spend their time in finding and funding hotels and not running them.

CONTACT

LinkedIn: www.linkedin.com/in/nickcarlile

Email: Nick@ShephardCox.com

Website: www.ShephardCox.com or www.NickCarlile.com

"Readers are welcome to get in touch with me to find out more about the business and about investing opportunities with us. We keep the process simple and straightforward."

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.





COMMERCIAL FINANCE

In line with this month's feature on commercial property investment, I thought I would provide an overview of the specialist commercial lending arena.

This an area of funding where lenders will consider residential property investment, commercial property investment and business finance for trading businesses.

The commercial lending arena consists of commercial challenger banks, specialist commercial lending providers and the high street banks. All in all, there are many different propositions that come under the

commercial finance banner and I thought it would be useful to cover some of them.

Commercial lending is generally available to many business structures, and lenders will consider loans for individuals, LLPs, UK limited companies and mainstream offshore limited companies. The commercial banks are open to looking at different business structures with multiple shareholders and trading business involvement. This is very useful for more complex structures where the mainstream limited company lenders won't lend as the venture falls outside of the simple SPV structure.

- Up to 75% of the purchase price / market valuation
- Interest only or capital repayment available
- Range of fixed rates available from two years to ten-year fixed
- Arrangement fees of typically 1.5%-1.75% of the loan

COMMERCIAL PROPERTY INVESTMENT PRODUCTS

We then move onto the slightly more specialist area of commercial property investment. Commercial banks lending in this arena will consider lending on full commercial units or semi-commercial buildings for investment.

Semi commercial properties – mixed use

When you are purchasing or refinancing a mixed used property, a key factor for the lending options will be who the commercial tenants are and how long they have a lease agreement for. Lenders are looking for commercial investment properties that have a good rental demand and an existing tenant that is likely to continue in the property for the future.

We see quite a few proposals for purchasing mixed use properties. But quite often the commercial element is vacant, which causes complications with the financing because the

RESIDENTIAL PROPERTY INVESTMENT PRODUCTS

In this sector, commercial banks will lend on all types of security including individual units, multiple leasehold flats in one block, newly developed and converted flats, multiple units under one freehold, small and large HMOs and property portfolios.

The commercial banks are generally looking for experienced property professionals who can demonstrate experience in the sector where they want to borrow. For example, for a commercial HMO loan you would ideally need experience that shows management of a similar size HMO for a minimum of 12 months, or of a portfolio of properties. Commercial lending is different, and lenders will take a view on the level of experience depending on the investor's full circumstances.

Investors have used of these types of products over the last few years for commercial HMO finance and commercial valuations based on the rental income. However, more recently lenders have tightened up their criteria about when a commercial valuation is applicable, to protect the lenders and investors.

The lenders all have their individual criteria when a commercial rental yield-based valuation is to be considered. I would recommend that you discuss this in detail with your broker before working on a commercial valuation basis.

The products available in the residential investment area are quite standard. You are potentially looking at finance offerings of:





lenders will need to be satisfied there is still a strong demand for the commercial letting. However, they will base the lending purely on the residential rental element, though you will generally be limited on the loan available.

The lenders will ask for full details of the tenants of the commercial unit, ie, how long have they been in the property, the financial strength of their business, the full terms of their tenancy and so on.

Again, lenders are looking for sector experience or established property professionals to be prepared to lend in this sector.

Pure commercial units

When you are looking at a pure commercial investment unit you will find that lenders will rely heavily on the valuer's comments on the market in the area and the demand for lettings. If there is a single tenant in the property, they will also rely heavily on the investor's personal ability to be able to cover cash flow during voids and rent free periods.

Lending is available for office units, industrial units, warehouses, factory units and also retail units with and without accommodation.

Typical terms you could expect are:

- Up to 75% of the purchase price / market valuation
- Interest only or capital repayment available
- Range of fixed rates available from two years to ten-year fixed
- Arrangement fees of typically 1.5%-1.75% of the loan

TRADING BUSINESSES

Finally, we move on to the commercial sector where the banks will look at lending to trading business to finance the same commercial properties as with commercial investment, but in this case they will also look at the trading business. For example, hotels, guesthouses, bed and breakfasts, restaurants and public houses.

Key to the lending here is going to be the purchaser's ability to demonstrate their experience in running the same type of business, or a connected business. There are different lending institutions that will lend into this sector. In addition, commercial banks can favour specialist areas when funding, depending on the business you are purchasing and your experience within that sector.

Typically, if you are purchasing a trading business, the lenders will require sight of the last two years' accounts for the business along with your initial business plan showing your sector experience and how you intend to run the business following the purchase.

The banks will also look at financing existing businesses who, as sitting tenants, want to purchase their premises. In such cases, they will factor in existing rental payments when looking at the overall affordability.

As a general rule, if you are already in business the best starting point for finance will

be your existing business financiers as they will know your business structure and performance.

The terms of finance will be very specific to the business venture you are looking at, the strength of the business, and your experience.

This is a very niche area and I would strongly recommend sitting down with a commercial business expert if you are considering a move into this sector.

When you are being assessed for any commercial finance, you would typically expect to be asked for:

- Company accounts for the last two years
- Proof of personal income
- Last six months' business and personal bank statements
- Assets and liabilities statements
- Cash flow forecasts
- Business plans
- Copies of all existing tenancies in the related property

If you have any questions on this topic, then please get in touch.

LIMITED COMPANY MORTGAGE OVERVIEW

With the limited company market continuing to evolve, we are seeing rates decrease. This is great for the investor who is looking to finance a property using a property SPV limited company. As a regular review of the market, here are a few of the options that are 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	75%	2.99% 2-year fixed	1.5% arrangement fee
The Mortgage Works	75%	3.69% 5-year fixed	2% arrangement fee
Kensington Mortgages	75%	2.89% 2-year fixed	1.5% arrangement fee

When you are setting up a limited company, I would recommend that, after your conversation with your tax adviser, you speak to your broker to make sure that the structure of the proposed company works from a finance point of view. Each lender has a very different view of shareholdings and directorships. Some lenders ignore minor shareholders while others insist 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 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.

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

INSURING COMMERCIAL AND OTHER NON-STANDARD LET PROPERTY

By **Paul Absalom**

It is often perceived by landlords that insurance companies welcome, and perhaps perpetuate, any confusion surrounding their policies. It is done on the basis that it may advance their negotiating position when it comes to paying out.

Perhaps they don't have to pay out on a claim because they say they haven't been fully made aware of the risk. We often hear of stories like this, but who's right?

Many landlords wanting to increase income yields have expanded their portfolio to include different types of property. It is not unusual to find a mixture of commercial and residential property within one portfolio. But it is within these mixed portfolios that confusion and discrepancies can more easily occur.

Within the residential let sector, it is usual for insurance companies to charge higher rates for non-standard lets, such as asylum seekers or 100% housing benefit claimants. Some schemes even have exclusions altogether for certain types of let, like short-term holiday lets and third-party leases to housing associations, to name but a few.

"With commercial property, the type of tenant description can be even wider. Disclosure to insurers of the actual circumstances on each property is paramount to ensuring you get the cover you need."

SHOPS OR OFFICES WITH RESIDENTIAL FLATS ABOVE

Insurers will need to know if the flats are self-contained with their own entrance and the exact trade or occupation of the commercial aspect of the building. They will also request the commercial annual rental income to insure the loss of income from the shop or office unit, as this is not automatically covered within the policy, unlike a residential policy.

A fish & chip shop, for example, may have more terms imposed on the cover, and correspondingly a higher premium than an ordinary administration risk such as an accountant's office.

PRIVATE RESIDENTIAL PROPERTY LET OUT IN WHOLE, OR PART, AS

AN AIRBNB

There can be what insurers describe as a commercial aspect to a residential let risk.

Most landlords with property portfolios don't usually get involved with Airbnb, but this type of let is becoming increasingly popular in the UK. Airbnb is a web-based company that enables anyone to let out a room, or indeed the whole property, on a night-by-night basis.

You may be the landlord of a block of flats and there may be residents in the block



letting out a room on this site. If this is the case, you need to investigate if this would invalidate any of the cover from your current insurer.

Airbnb hosts do get some limited insurance cover included within the hosting fees, but our understanding leads us to believe this is heavily restricted and may well not cover you as a landlord. Time limits also apply so please take special care.

FULL COMMERCIAL LET PROPERTY

Whether this is a retail premises, factory or an industrial unit, special care needs to be taken to ensure you get the right level of cover.

Commercial insurance is more of a pick-n-mix policy rather than an off-the-shelf package. Meaning that not all the things you think should be covered automatically are.

For example, subsidence is an optional extra that needs to be selected, as does loss of

rent following a valid claim.

What about any shop-front glass or signage, tenants' improvements, or fixtures and fittings? The commercial lease normally outlines who is responsible for what. As landlords, you need to determine the scope of the protection you need to supply, and what is the responsibility of your tenants.

BED & BREAKFASTS AND HOSTELS

You may have described a property let as a standard HMO, but if cooking facilities exist in any of the individual rooms, and not in a designated communal kitchen, this may well be considered a B&B risk.

The property could be considered as a hostel if any tenants are put in via a third party, with no direct control or oversight by you or your managing agent. These tenants must be considered within the vulnerable sector, eg criminal or drugs rehabilitation, single women's refuge, or assisted living tenants.

Again, this might not be what the insurance underwriter had bargained for and ammunition for a genuine claim to possibly be refused.

Commercial property insurance, more than any other type of policy, is best suited to professional broking. The insurance company's perception of a risk can often be swayed by a good presentation. The more they understand the risk, generally the better the terms that can be obtained.

For the property owner themselves, it is imperative that any exclusions or conditions are thoroughly explained and pointed out.

Now, more than ever, landlords are looking for professional and unbiased practical advice from their insurance broker to ensure that their scheme or contract is fit for purpose and suits their circumstances and requirements.

It's time to check whether your policy actually covers what you think it does.

Paul Absalom



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PLANNING USE CLASSES AND COMMERCIAL PROPERTY

HOW TO NAVIGATE THE COMMERCIAL PLANNING LANDSCAPE By Jon McDermott

Depending on which paper you read, either ...

- **The commercial development sector is gaining traction. Partly due to the government's programme of prior approval, the commercial sector has seen a number of buildings being converted to residential with no substantive drop off in need.**

Or ...

- **The commercial development sector is on its knees with increasing vacancy caused by the retail and commercial office sectors moving to an online base.**

Both views may be true. However, when discussing this with one commercial agent, he described that the commercial office sector was incredibly competitive at the moment with viable options for both short- and long-term space in short supply.

Compared to my own recent experience of finding a new office, I can only agree with the commercial agent. Prices for office space are being quoted at a minimum of £20 per sqm per month and rising.

So with this in mind, my article this time around is with a commercial focus, the issues and options surrounding commercial planning in England (remembering Wales, Scotland and Northern Ireland have their planning systems taken on a use-class by use-class basis).

RETAIL DEVELOPMENT

Retail should not be ignored. Not only do you have some fantastic onward permitted development allowances for residential spaces but in the right locations retail rent can rival residential developments. Retail sites within town centre, district centres and local centre areas are supported by national policy and as such are a straightforward development solution.

Class A1 Shops

Retail shops in Class A1 have taken a massive hit in recent months with more and more reports of shop closures and the death of the high street.

Smaller retailers however are seeing a resurgence with smaller shops able to afford smaller rents but with a much more focused (non-internet) clientele. Where you have a bigger shop (say an old BHS or similar), S55 of the Town and Country Planning Act makes clear that the sub-division of a large shop to smaller units is not development requiring planning permission. A small consent may be needed if you're adding doors to the shopfronts or advertising.

Class A1 shops also have the ability to change use to:

- Class A2 Financial and Professional Services (under Class D of Part 3 of Schedule 2 of the General Permitted Development Order 2015 up to certain limits),
- Cafés/Restaurants (under Class C of Part 3 of Schedule 2 of the General Permitted Development Order 2015 up to certain limits), and
- Assembly and Leisure Uses (under Class J of Part 3 of Schedule 2 of the General Permitted Development Order 2015 up to certain limits).

Class A2 Financial and Professional Services

The banks are retreating from the high street, the latest being that the Royal Bank of Scotland has announced that it is withdrawing another 500 premises in England. Whilst this may be all doom and gloom it is easy to revert a bank back to a shop under Class E of Part 2 of Schedule 2 of the General Permitted Development Order 2015, and then enjoy the onward use as a shop.

Class A2 itself is very broad covering:

Use for the provision of –

- (a) financial services, or*
- (b) professional services (other than health or medical services), or*
- (c) any other services which it is appropriate to provide in a shopping area,*

where the services are provided principally to visiting members of the public.

And therefore any public-facing service provider can easily fall within Class A2 so long as they meet the above criteria.

Class A3 Restaurants and Cafés

Hospitality and catering is another sector that desperately needs reinvention. However there are certain parts of the industry that are thriving. The competition between Starbucks, Costa and others to serve you a mug of hot brown is a useful boon to landlords that are holding onto a Class A3 use.

You can get to a Class A3 use from A1 or A2 using Class C of Part 3 of Schedule 2 of the General Permitted Development Order 2015 or from Class A3 using the rights set out above.

Class A4 Drinking Establishments

Public houses and drinking establishments have taken a bit of a nosedive and (annoyingly)



are protected as Community Assets under the national planning policy framework. Further, if the local residents choose, they can request an Asset of Community Value status be put on the property which will definitely prevent development going forward.

There are no permitted development allowances available to release a Class

A4 use, so in reality you need to be able to run the pub or justify its loss. Most planning policies provide for a year's worth of marketing before the pub can be changed to another use by a planning permission.

Class A5 Hot Food Takeaway

Part of the hospitality industry that has seen a resurgence as more of us opt for an app rather than cooking at home. Class A5s tend

to have ongoing issues relating to noise, disturbance and opening house after dark and at times when residents should be sleeping.

New Class A5s need a planning permission because of their outward effects and as such you should focus these submissions on town centres or where there is existing late-night noise and activity.

BUSINESS USES

(CLASSES B1, B2 AND B8)

The business uses are best located in commercial centres or within designated industrial areas. Each of the uses has individual challenges or needs and as such need to be taken on a site by site basis.

Class B1 is separated into three but they all fall within the same use class, so you may switch from B1(a)(b) or (c) without the need for a planning permission.

Class B1(a) Offices

Offices are compatible with residential environments and appropriate within town centre locations as employment uses. They make great hands-off commercial investments as you can hand them off to a larger serviced office provider or subdivide a block into smaller serviced units without planning permission.

Further, the Class O permitted development allowance drained the existing surplus of office space to such a degree that there is now a resurgence in market demand. This is coupled with local authorities seeking to protect their existing stock through Article 4(2) Directions.

You can get to a Class B1(a) use using a planning permission or a permitted development allowance under Class I of Part 3 of Schedule 2 which allows you to change use from B2 and B8 to Class B1.

Class B1(b) Research and Development

A bit of an oddball within the Classes as R&D uses are very specific to the individual operator. Hence most use the allowed change to Class B1(a) to get them into something a bit more conventional.

As with all uses in Class B1, those that do fall within (b) have an allowed change to (a) or (c) and a permitted change under Class I to Storage and Distribution (Class B8) unto certain limits.



Class B1(c) Light Industrial

A good definition for this is a place for the manufacture or repair of goods but where there is no perceivable external noise or disturbance. By effect, Light Industrial uses are compatible with residential environments.

All new Class B1(c) uses need a planning permission except where they are permitted by Class I above.

As with all of the business uses, Class B1(c)s can be a strong investment if your model will allow for a build-to-rent.

Class B2 General Industrial

General Industrial Uses are only acceptable in areas that have been identified within the Local Plan as suitable for employment and are away from residential uses. General Industrial Uses present the threat of significant noise, disturbance and pollution

that have impact in terms of ongoing uses.

You need planning permission for all Class B2 uses and it is suggested that these are only explored with end users in mind

Class B8 Storage and Distribution

The Storage Uses within Class B8 suit larger warehouses that are very cost effective to build and have a market demand as more and more businesses move from conventional shops to online presence. A large number of such developments are built at major road interchanges, in industrial spaces and behind shops and retail centres to serve compatible forms of development.

Warehouses are often built speculatively as there are onward changes of use under Class I to Office.

New warehouses require planning permission and some indication of the end uses.

HOSPITALITY AND RESIDENTIAL INSTITUTIONS

Given the focus of this article I am purposefully avoiding Classes C3 and C4 as these are wholly residential, so instead I will focus my attention on Classes C1 and C2/C2(a)

Class C1 Hotels, Guesthouses and Halls of Residence

Running a hotel is a lifestyle choice and not a job, it is a very active form of development that needs the end developer to heavily systemise or staff up!

That said, these uses can be a tremendous commercial property investment if your model supports it.

Class C1 uses are not 'dwellings' in the sense that they need to comply with National Floorspace Standards or standards for HMOs. Furthermore, they resolve the question of 'what is serviced accommodation' as they comply with the requirements of the 90 Day London Rule within the Greater London Council (General Powers) Act 1973.

Hotels in particular make great conversions to SA and in the main do not require planning permission if you are not seeking to alter the exterior and can maintain the maximum stay to under 90 days.

Halls of residence are the exception within Class C1 as they are purpose-built letting units normally for students. Halls are used by councils (Portsmouth and Southampton are running hot on this) to resolve their HMO problem as (in theory) a big hall of say 100 rooms could potentially restore up to 20 HMOs back to houses. That is of course not the case, as we all know that HMOs are not just occupied by students!

Like hotels, halls of residence are not subject to the national standards as they are not dwellings and as such you can

propose an arrangement that maximises the internal space of the building. Further, with even the most modest hall of residence space costing upwards of £100 per week per student, a 100-bedspace hall of residence is a good onward use.

You can get to Hall from a Hotel because there is no change of use, and so old hotels in student towns are a great onward investment.

Class C2 Residential Institutions

Use for the provision of residential accommodation and care to people in need of care (other than a use within class C3 (dwelling houses)), use as a hospital or nursing home and use as a residential school, college or training centre. Doesn't seem the most obvious investment, however Care Homes in particular have seen a resurgence given our aging population and need for end-of-life care.

Whilst it may be a morbid subject, the likes of McCarthy and Stone made a revenue of £660.9million in 2017 and employ 2,145 people, so the model itself is very profitable for those able to operate within it.

Like Class C1, these buildings require planning permission from the local planning authority. However, unlike Class C1, they count towards the council's housing stock.

Most councils seek to promote Class C2 Care Homes and seek to protect them when there is a vacant Class C2 unit within their area of control. Hence when seeking to remove a Class C2 use, you need to be able to prove that the use is no longer needed.

The Telegraph (<https://www.telegraph.co.uk/money/consumer-affairs/531-955-per-week-map-care-costs-across-england>) helpfully published a list of figures for the weekly cost of living in a care home in 2017 with the headline figures between £531 to £955 per week.

Class C2(a) Secure Residential Institutions

Defined as: "Use for the provision of secure residential accommodation, including use as a prison, young offenders institution, detention centre, secure training centre, custody centre, short-term holding centre, secure hospital, secure local authority accommodation or use as military barracks." It is unlikely that a reader of YPN would knowingly want to build a building for (to quote James May) "catching crims and locking them up in your community!"

However ...

Class C2(a) uses are previously developed land and are normally located in the middle of the countryside and where you have a substantial sequence of buildings that find themselves with an exemption under countryside policies:

"79. Planning policies and decisions should avoid the development of isolated homes in the countryside unless one or more of the following circumstances apply:

b) the development would represent the optimal viable use of a heritage asset or would be appropriate enabling development to secure the future of heritage assets;"

If it's Listed:

"c) the development would re-use redundant or disused buildings and enhance its immediate setting;"

If it's not:

The government has a great search engine to look for government property for sale at <https://e-pims.cabinetoffice.gov.uk/government-property-finder/SearchForSale.aspx> so have a look and see what is possible.



THE 'D' CLASSES

These are the 'community benefit uses' – the one that a community needs to function and that are (in the main) protected by the NPPF or other interest groups such as Sport England.

Class D1 Non-residential institutions

The Use Classes Order gives the following examples:

Class D1. Non-residential institutions

Any use not including a residential use –

- (a) for the provision of any medical or health services except the use of premises attached to the residence of the consultant or practitioner,
- (b) as a crèche, day nursery or day centre,
- (c) for the provision of education,
- (d) for the display of works of art (otherwise than for sale or hire),
- (e) as a museum,
- (f) as a public library or public reading room,
- (g) as a public hall or exhibition hall,
- (h) for, or in connection with, public worship or religious instruction,
- (i) as a law court.

Whilst not prescribed as such, all of these uses are otherwise compatible with dwellings and with retail or town centres.

Some of these uses would not be appropriate for a developer (law courts and the like are best left for local government); however, crèches, galleries and doctors' surgeries can be interesting forms of development that have a market demand.

Some of the above uses do make fantastic residential conversions through a planning permission (no permitted development here) as long as you're able to prove that the building is no longer needed by the community at large.



'SUI-GENERIS'

A Latin term meaning of its (his, her, their) own kind; "in a class by itself" describes uses that do not fall neatly within a prescribed use class or that the government seeks to require planning permission for by removing the use from a Class and placing it in the sui-generis 'Bin'.

Often known as the 'non-social' uses, sui-generis includes:

- Large HMOs
- Casinos
- Betting shops

You always need planning permission to go to a sui-generis use. However:

Class C – retail, betting office or payday loan shop or casino to restaurant or café

Class E – financial and professional or betting office or payday loan shop to shops

Class F – betting offices or payday loan shops to financial and professional

Class G – retail or betting office or payday loan shop to mixed use

Class H – mixed use to retail

Class J – retail or betting office or payday loan shop to assembly and leisure

Class K – casinos to assembly and leisure

Class N – specified sui-generis uses to dwelling houses

... of part 3 of schedule 2 of the GPDO 2015 all allow for the conversion out of a sui-generis use.



Class D2 Assembly and Leisure

Defined as:

Use as –

- (a) a cinema,
- (b) a concert hall,
- (c) a bingo hall,
- (d) a dance hall,
- (e) a swimming bath, skating rink, gymnasium or area for other indoor or outdoor sports or recreations.

Again, these are not the most obvious forms of development. Class J and K of Part 3 of Schedule 2 of the GPDO 2015 allows for the change of use to Assembly and Leisure subject to certain restrictions.

Like Class D1, assembly and leisure uses make very interesting conversions so long as the community does not need the facility going forward.

AGRICULTURE

The allowances for agricultural buildings go way beyond the provisions within Class Q and there are two separate allowances that give ongoing rights to get agricultural buildings into a business use:

Class R – agricultural buildings to a flexible commercial use

Development consisting of a change of use of a building and any land within its curtilage from a use as an agricultural building to a flexible use falling within Class A1 (shops), Class A2 (financial and professional services), Class A3 (restaurants and cafés), Class B1

(business), Class B8 (storage or distribution), Class C1 (hotels) or Class D2 (assembly and leisure) of the Schedule to the Use Classes Order.

And ...

Class S – agricultural buildings to state-funded school or registered nursery

Development consisting of a change of use of a building and any land within its curtilage from a use as an agricultural building to use as a state-funded school or a registered nursery.

The important thing to remember with the provisions of Class R is that **they do not** give you a clean use class as para R(2)(b) states:

(b) for the purposes of the Use Classes Order and this Order, after a site has changed use under Class R the site is to be treated as having a sui-generis use and therefore you cannot expect to gain any further change of use under this provision.

However, the benefits of the individual uses set out above are clear and this does then create an interesting non-conforming use in the countryside.



Jonathan McDermott is a Chartered Town Planner, Principal Town Planner for Town Planning Expert and educator with Whitebox Property Solutions on Property Developers Secrets and Property Planning Masterclass.



SOME FAQs NOT COVERED ABOVE

What about converting business premises from one use to another, eg, office to restaurant/food outlet?

Unless covered by a permitted development, the change of use from office to restaurant, etc needs planning permission. That said, so long as the development conforms to the local plan, etc, there should be no reason why you cannot get planning permission.

If you have a commercial tenant such as Costa or a chain like that, who should get the right planning consent? The business or the landlord?

The duty to ensure that the building falls within the correct use is the Landlord/ Owner. That said, most chains now have planning teams or consultants who handle this for the chain and the landlord.

Is there a difference between out-of-town and town centre classifications?

Town centre and out-of-town centre locations are defined by the local plan. Within town centre locations, commercial development is encouraged for the normal 'Town Centre Uses' which are defined by the council's policy.

When could a residential building become a commercial?

Most councils actively resist the loss of residential units where the site is not in a town centre location. Within town centres you can look at residential above commercial if you want or need to lose a poor residential use.

What is the importance of understanding the primary/secondary/etc area classifications within town centres.

Primary and secondary are terms used to define the importance of a designated town centre. In reality, they are all designated; however, the expectation is that the primary will be occupied by larger retailers and users and the secondary will be used by the smaller providers.

Does an area targeted for regeneration have an impact on planning applications?

Yes, because the council will have a policy or be developing a policy to focus the regeneration effort. Therefore one must discuss the matter with the LPA.

YPN SAYS

For investors familiar with the residential sector, commercial property can seem like the scary unknown. There are so many economic variables to take into account before we even begin to consider the apparent complexities of use classes, valuation factors and commercial leases.

Is it really that much more complex than investing in residential property though? Once you get your head around the difference in valuation methods and that the capital gain element won't be as dynamic, the laws of supply and demand hold true. Those already active in the sector have also experienced that vendors are often willing to be more creative in striking a deal a) because they're business people and b) there's far less emotion involved than buying a house from a homeowner.

Few would argue that the high street landscape is changing. But as YPN readers know, change leads to opportunity. As Dan says, you need to judge where the puck is going to be, rather than where it is now.

Commercial property of course covers a much broader spectrum than the hospitality and high street / retail sectors that we have touched on over the past two months. We have yet to examine offices and the emerging trend for serviced office accommodation and working hubs, light industrial, agricultural, nightclubs, healthcare, etc. Watch this space!

We hope that you have found some inspiration from this two-month feature. And remember – if you have a good commercial case study, we want to hear from you!





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#STRESSED

I'm in the middle of doing something I haven't done for a long time. I'm looking for a house to buy.

Not an investment property. No, this is much more complicated. The Other Half and I are looking for a new home. At the moment we're happily based in South West Wales. But for all sorts of reasons we're moving further east for a while and looking for a house to live in for three to five years. I say "house" but it could be a bungalow. Frankly in the mood I'm in today it could be a mobile home or a converted container.

As this is a temporary move and we'll be renting out our current home in the interim, we're not quite as emotionally invested in the purchase as if it were a forever home. In theory, that makes things easier. In practice, not so much. The property still has to work for the way we live. So we have strict criteria and an even stricter budget.

Getting those two elements to balance up is tough enough and as you'd expect there has to be compromise somewhere. We've already opted for town over country, better location over lower price, and quantity of accommodation, ie, a modern box, over picturesque period charm. Two adults, visiting family members, three

cats and two home offices don't fit well into a pretty-but-tiny cottage with roses round the door. Especially as said cottages, however much I'd like to live in one and however much they might be a better investment in the long run, rarely have much parking space. Moving into a street where parking is a free-for-all with our two cars, work van and frequent visits from car-owning family members will not endear us to new neighbours.

Two weekends ago, we did 16 viewings over a Friday and a Saturday. Now, when you're on a mission and have a clear goal, this is where being an investor really pays dividends. You can get an impression of a property pretty darned quick. I attended every viewing with a list of criteria printed out from a spreadsheet (nerd alert!). Potential projects could easily be dismissed as too expensive / too much work to live with / at that price, you've got to be kidding. Or – bugbear! – still no parking after doing the work. In houses and bungalows in good condition, windows were prodded, floorboards checked, floorplans studied, tyres kicked (oh ok, just kidding, no tyres involved ... except for the one garden).

Sunday was spent on analysis.

We came out with a top three hit list. On Monday the fun began.

First, solve a muddle that shouldn't have been a muddle. Did first choice house have a garage? The details said it did, the agent at the viewing said it didn't. Honestly, you'd think it wouldn't be too hard to get

such a big detail right **BEFORE** taking people on viewings!

As you'll have gathered by now, parking is A Big Issue for our household so the answer was crucial. Garage confirmed, we made an offer later that day.

As you would expect, the first offer was turned down. A nifty bit of negotiation and the slightly higher one was accepted.

Now here's the next bit where investing experience pays off – in doing a bit of DD. After some digging, it turns out that while the house is freehold, the garage, in a different block, is leasehold. Haven't come across this before and that's a yellow alert following recent news items about leases. Furthermore, it seems there is a management fee for maintaining the common parts of the estate, which had not been mentioned anywhere by the agent. Moreover, the fee appears to be payable to a company that has ceased to exist and has supposedly been taken over by another company.

Why on earth wasn't all this flagged up by the estate agent? Isn't this what they're for, instead of taking potential buyers around with only half a story?

It took The Other Half just half an hour and an investment of £6 with the Land Registry to find these things out. I can't help but think that making people aware of all this up front would save everybody an awful lot of time, hassle and heartache.

It would all come out eventually during the legal process, but armed with this knowledge at an early stage, we have the choice to proceed with caution or move on to the next property.

Do all homebuyers do these sorts of checks before diving in? It's unlikely, and by the time issues are unearthed, every party has become invested in the transaction. The buyer has mentally moved in and paid all sorts of fees, the vendor will be really p*ssed off if you pull out, agents get cross, solicitors roll their eyes. Heartache all round.

No wonder people find buying a home so stressful. It could – and should – be so much easier.

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SERVICED APARTMENTS IN LEICESTER

HOW TENNIS COACH THOMAS LEWIS LAUNCHED THREE CONVERTED FLATS ... AT THE SAME TIME

Interview: Ant Lyons and Angharad Owen Words: Angharad Owen



Some months I am positively inundated with people who would like to be featured in this series, and other times, not so much. Tom actually messaged me on Facebook* and sent over some pictures. I must say, I was delightfully surprised at the design of his flats. There's nothing that makes my heart beat faster than some exposed brickwork and beams, so I absolutely had to find out more about the history of the building and his experience in doing them up into what are now successful serviced apartments.

*please don't get any ideas!

BACKGROUND

Thomas Lewis is first and foremost a tennis coach. Before he met his wife, Lois, he spent 20-36 weeks of the year travelling the world with professional tennis players. He now has a tennis coaching business in Leicester, with a team of staff and a business partner. Although he loves what he does, he started investing in property to provide a pension for when he opts to hang up his tennis racket.

Thomas and Lois bought their first investment property in Leicester, managed the refurb and then decided to undertake some property education so they could do more of the same. He started his education through reading the popular property books, and after some research, joined the Progressive VIP programme, during which they bought a further six properties.



of investors who had bought the flats off-plan. Many of the apartments were empty, due to their run-down state, and Tom offered to purchase three at once.

The prices ranged from £50,000 to £80,000. All three flats were purchased cash, with a small loan from Tom's dad.

Structurally, the building was fine but they needed new kitchens, bathrooms and rewiring throughout. There were a lot of character features, which influenced the overall design of each flat.

Tom and Lois wanted to be sympathetic to the history of the building and make the most of the unique features.

Tom acted as project manager throughout the refurb. He enjoyed overseeing the process as it catered to his creative side. His job as a tennis coach allowed him to focus on property during the day before going to work in the evenings. On an average day, he would work on property from 6am until 4pm. The refurbishment took three months.

They listed the flat online before it was completed – and suddenly had a booking for two months' time. On the morning the guests were due to arrive, Tom and Lois were still putting furniture together and dressing the rooms. The guests arrived while they were walking down the stairs.

Talk about cutting it fine ...

THE APARTMENTS

The apartments we'll be focusing on this month are in an old hosiery factory that had been converted into flats in the early 2000s. The flats looked tired and dated, despite being less than 20 years old.

Tom had originally planned to buy two flats in the building. But then the estate agents put him in touch with a group



THE HOLMÉ APARTMENT

LEICESTER CITY CENTRE

Type of property	1-bedroom apartment
Strategy for this property	Serviced apartment
Purchase price	£50,000
Open market value	£70,000
Purchase/Acquisition costs	£1,200 solicitors fees and searches
Funding method	Cash purchase
Total money in	£51,200
Personal money in	£51,200

THE FINANCIALS

The apartments have only been running as SA for 18 months, so Tom and Lois don't yet have a huge amount of data. However, over the course of the past year, they have been averaging at 85% occupancy. There have been some months where it's been quiet, and others where there have been no voids at all.

"On average, each flat is making about £800 per month."

Tom didn't start the business to replace his salary. But his job is one that will get more difficult as he gets older. He wanted to supplement his income so he can do less coaching. Although he has no interest in quitting his job, he does want the freedom to not have to work as many hours in the dark winter nights.

So far, it has fulfilled his dreams beyond his wildest expectations, but he isn't going to get complacent and assume it's all going to be dandy from now on. His life motto is: hope for the best but plan for the worst.

If the apartments stop performing well as SA, his plan B is to switch them to BTL. They would still bring in a good cash flow and create a decent pension.

STRATEGY

When they bought their first investment property, they kept it as a buy-to-let for a few years. As they learned more about different investment strategies and wanted to increase their cash flow, they considered turning it into an HMO or serviced accommodation. Neither of them liked the idea of an HMO, so they settled for SA.

Both Tom and Lois travelled extensively with their jobs, and therefore have stayed in a lot of holiday rentals. This has given them the advantage of experiencing both the good and the bad sides of SA. Between them, they had a good idea of what was needed to make a successful serviced apartment. They looked at all the local hotels and serviced apartments. When they started their research, there were only three others the area, which were fully booked with very little availability. This gave them an inkling that there was a decent market for serviced accommodation.

"They decided to take the plunge and give it a go with one of their existing properties. Within the first 24 hours, they had taken no less than 20 bookings."

In Leicester, the main guest profile for serviced accommodation are those who are visiting the city on business. Reflecting this, Tom's apartments are busy from Monday to Friday, and slightly less so over the weekends.

Tom and Lois wanted to offer an alternative to a hotel room. They provide all the basic facilities anyone on a business trip would expect: high-speed unlimited broadband, desks to work from, etc. They built on their own experiences by asking themselves what they expected from an apartment when they travel.

To figure out an acceptable room rate, they looked at how much the local hotels and other serviced apartments were charging. They compared this number to how much they needed to cover their own costs, and tried to come in slightly cheaper than a good quality local hotel. They wanted to have a balance of being competitive against a hotel, while still offering a bit more.

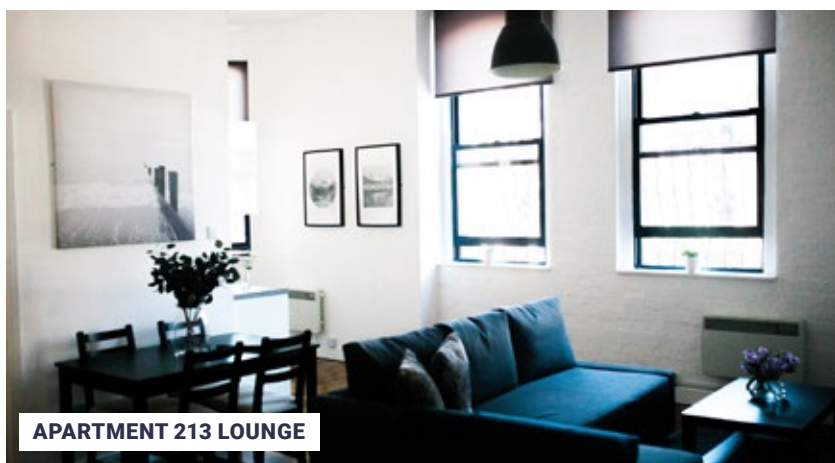


BEFORE



APARTMENT 310 KITCHEN

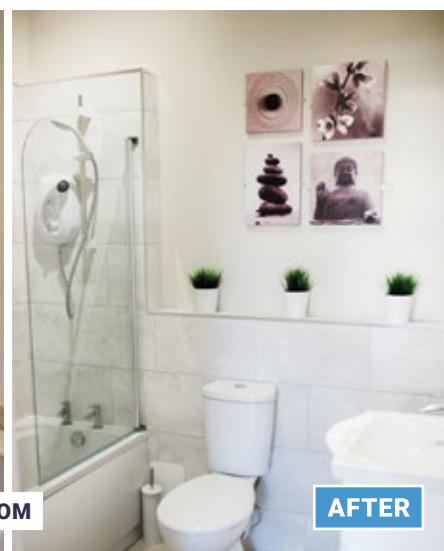
AFTER



APARTMENT 213 LOUNGE



BEFORE



APARTMENT 213 BATHROOM

AFTER

BEFORE



APARTMENT 310 BEDROOM

AFTER



DESIGN

Both Tom and Lois enjoy the interior design process. They wanted to dress and furnish the apartments in a way that matched the feel of the building, as it's old and industrial with great features. The last thing they wanted to do was to cover it all up and make it ultra-modern inside.

"They had some previous experience of working with character properties, as they have renovated houses to live in. They both understood the importance of being sympathetic to the unique elements and history of the house."

When they had finished, their ultimate test was to ask themselves if they or their family would be happy to stay there for months at a time. If yes, the flats were the best they could be.

It's important to note that serviced apartments need to be hard wearing. There are always people coming in and out of the flat, so it needs to be easy to clean. Tom installed expensive appliances to ensure a high-quality finish, along with tiling most of the bathroom walls. They're easy to maintain while also giving it a luxury feel.

They have also gone a step further by screwing pictures and TVs to the walls so they can't fall off.

COST OF WORKS

Duration of project	3 months
Furniture	£2,700
Total costs	£10,499

VALUATION & INCOME

Post-works valuation	£90,000
Money left in	£61,699
Monthly income	£1,500 (70% occupancy)
Monthly costs	£550 (linens, cleaning, electricity, service charge, broadband, TV etc)
Net monthly cash flow:	£950
% Return on money left in:	18% ROI

BEFORE



APARTMENT 213 KITCHEN



AFTER





BEFORE



AFTER

APARTMENT 109 KITCHEN

RUNNING THE BUSINESS

In total, at the time of writing, they have five units up and running, and another is about to go live in two weeks' time.

People are often concerned that building a relationship with guests is time consuming. Tom enjoys this process and it only takes around 15 minutes a day. He messages them upon booking, checks guests in and out over the app and sorts out any issues that may arise. In his eyes, the only downside to dealing with the guests is that he feels he is always on duty. In the past, he has dropped everything to buy a high chair or make up the sofa bed. He's finding it difficult to trust someone else to be in charge.

"Since beginning his serviced accommodation business, Tom had intended to outsource all necessary work for the changeovers. To do this, they needed to get a feel for what the job entailed and how long it took. Alongside his wife, they managed the cleaning and preparing the apartments for three months."

They have now found a cleaning company who not only help with the cleaning, but also have access to the booking system to prepare the flats for the next guests. Changeovers cost around £40. Tom found a local company to launder the sheets, duvets and towels for £10. The cleaners charge around £20-£30, then Tom has budgeted the remaining amount for necessary essentials for when guests arrive.

Their aim for 2019 is to work on taking time off. Tom and Lois have booked a few small holidays, and are looking for people they trust to take care of certain roles. Their builder has offered to take over the maintenance if an emergency arises, and their cleaners do most of the changeovers. Up until the time of writing, if there has been an emergency, Tom has rushed over to fix it himself as he only lives a ten-minute drive away.

They use an app called Tokeet to manage bookings across different platforms. It's possible to create and send invoices through the app, accept payments and give accountants access so they can keep books up to date.

To check people in, Tom uses a company called KeyNest. This is a global company that specialises in keeping keys for holiday rentals. When a guest is due to arrive, Tom sends them a map to the local collection point, along with a check in code. The guests pick up the keys and let themselves into the building. The doors to the apartments have an electronic key-code lock, which Tom changes after a guest has left. The cleaning and maintenance crew have a different code to allow them access at all times.

THE THORNHAM APARTMENT LEICESTER CITY CENTRE

Type of property	2-bedroom apartment
Strategy for this property	Serviced apartment
Purchase price	Purchased for £67,500
Open market value	£90,000
Purchase/Acquisition costs	£1,200 solicitors fees and searches
Funding method	Cash purchase
Total money in	£68,700
Personal money in	£68,700

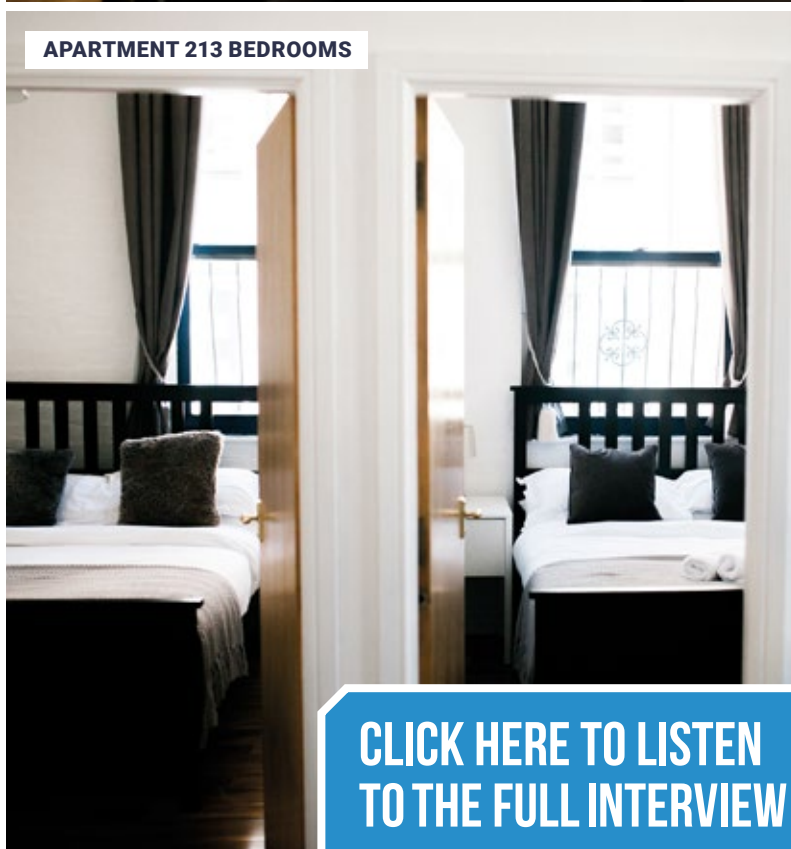


As with any business, there have been a few unexpected problems. The first was that it took 12 weeks to open a bank account. They wanted to buy the apartments within their limited company and therefore needed the account.

The second, and possibly more serious was after their first guests arrived. The next morning, Tom received a phone call from them saying that the brand-new washing machine had filled to the top with water and had poured out all over the apartment. Needless to say, Tom was there five minutes later with a mop and bucket to help clean up.



APARTMENT 310 KITCHEN



APARTMENT 213 BEDROOMS

**CLICK HERE TO LISTEN
TO THE FULL INTERVIEW**

COST OF WORKS

Duration of project	4 months
Cost of works	£10,500
Furniture	£3,650
Total costs	£82,850

VALUATION & INCOME

Post-works valuation	£120,000
Monthly income	£1,800 (70% occupancy)
Monthly costs	£650 (linens, cleaning, electricity, Broadband, TV License, Netflix, service charge, etc)
Net monthly cash flow:	£1,150
% Return on money left in:	16% ROI

WHAT'S NEXT?

Tom and his wife felt that they wanted to diversify risk by investing in other areas outside of Leicester. They're currently looking at a commercial building recently converted into four two-bedroom apartments in Loughborough.

As a side project, they've bought some land in Ashby-de-la-Zouch and are looking to start building two houses. They're both creative people and are excited to learn more about development.

Tom doesn't know what the future holds, but is enjoying the process of learning while doing. Two years ago, he didn't have any serviced apartments and by the end of 2018, he will have 11.

His role as a tennis coach has taught him many lessons that can be applied to his SA business. The first is that it revolves around the service provided. A lot of people don't see that, but the success of the business relies heavily on making sure people are having a good experience. Also, from his days playing tennis competitively, he's learned not to get too big an ego – because as soon as he wins a game, he's going to lose the next one. It's the nature of the game. This too, can be applied to SA. One can never predict when something will go wrong ...

He feels like he's winning at the moment, but is trying to be conservative because he's sure there will come a time when things aren't going quite so smoothly, and – very sensibly – wants to be prepared.

**GET IN
TOUCH**

Website:
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www.sancturayserviceaccommodation.co.uk
Tom Lewis
Tom Lewis
@sanctuaryserviced

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

ONE YEAR ON!

WHAT WINNING A PROPERTY INVESTORS AWARD MEANT FOR NELLIE MCQUINN

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

Last year, Nellie McQuinn won the Property Investors Award for New Investor of the Year. With this year's awards coming up at the beginning of December, we were interested to find out what winning an award really means. Nellie has been kind enough to chat to us about the awards experience, the winning deal and what has happened within her property business in the succeeding year.

GETTING INTO PROPERTY

My history is very much in the entertainment industry, having started working as a professional actress as a child on television in Australia. When I was 17, I moved over to the UK to pursue a career in the arts.

I set up my own production company, which I still run today alongside my property business. The property business came out of nowhere for me. Back in the 1950s, my gran bought our family home in Sydney's answer to Chelsea, Greenwich. After my grandmother passed away, we had to sell the house. I inherited some money from the sale, and one of the conditions was that I'd use the money for property.

I didn't make the choice to get into property, but my gran obviously knew me very well and it's been a very successful venture so far.

I'm very fortunate to have my husband, Mat, as co-founder of Property 165. He supports me extremely well. We're a good team.

THE WINNING DEAL

We found the apartments through the purchase of a small one-bedroom flat in the same block. It was a lovely flat in a terrible building, and that's what caught my eye. We were unhappy with the condition of the rest of the building. One flat even had graffiti on the door.

I reached out to the management company, who had essentially washed their hands of it. They put me in touch with the owner ... who turned out to be the vendor of the



flat I had just purchased. He had two other apartments in the building, and offered for us to take them off his hands. We accepted although we had no way of paying for them. In all honesty, I just wanted a nose around the flats.

I did some research and one thing led to another. The next thing I know the deal was done.

The sale of the first flat had taken ten months to complete. The freeholder was being extremely difficult – it was a long, drawn out process, and the vendor didn't

want to go through it again with the other two.

The flats were in a terrible state. There were holes in the ceiling, tiles falling off the bathroom walls, cockroaches, water on the floor in the kitchen, and they smelled. We couldn't wait to get our hands on them.

CREATIVE STRUCTURE

When I went to look at the flats, I completely fell in love with them. I immediately saw their value. But we didn't

have any capital whatsoever so we needed to find a way to buy them.

While I was researching on how to pull off the deal, I came across a broker who had written an article about delayed completion. It ticked every single box.

It was straightforward, but a lot of people get scared by it. The concept is that we exchange on the property without putting down a massive deposit. The only money we needed upfront was for the refurb. Our intention was to get bridging finance on the post-refurb value of the property upon finishing.

If it was possible to add 25% of value, a 75% LTV bridge should have covered 100% of our costs. Not only would we have got 100% of our purchase price, but then the additional money to do the refurb would have come back at that stage as well. We weren't going to refinance them because of the six-month rule. We wanted to get them straight into the open market to find some cash buyers or investors, take the profit and move on.

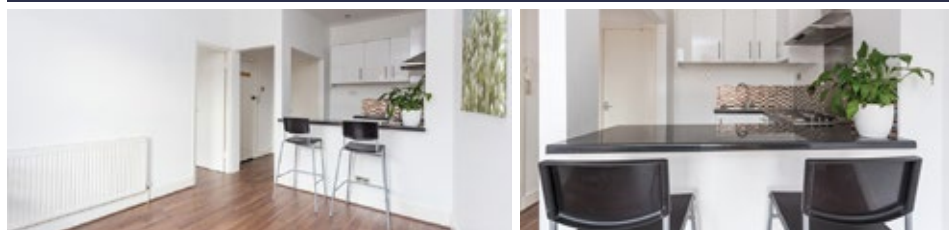
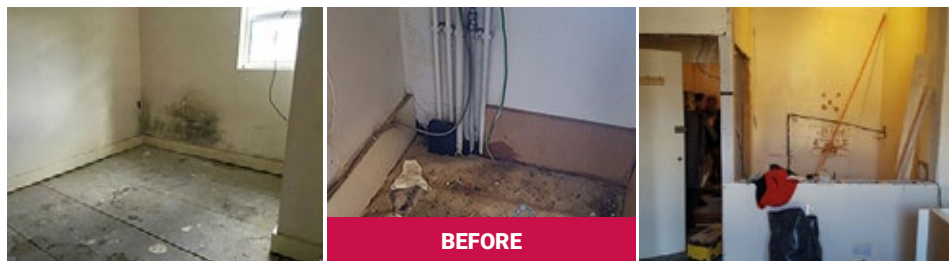
We didn't want to keep the flats because we didn't have any money of our own to invest. This was a great way of giving us a buffer to start investing with our own money. The principle of the deal worked out, but things did go wrong along the way.

WHAT WENT WRONG?

It wasn't our fault, and I think that was educational. This was the first flip that my husband and I had ever done, and we also decided to move to a new house, get married and have my mother move in with us. It was the most stressful time of my entire life.

As we were rapidly approaching the deadline for completion, we found out from the bridging company that they were turning into a publicly-floated bank. I didn't understand the legalities of what that meant, but what I did understand was that they were still happy to lend but we needed to go back to the beginning of the lending and vetting process. It would have added another six to eight weeks, which wasn't viable as we had two weeks until the completion deadline.

Christmas was approaching, and we had to go out and raise finance by ourselves, otherwise we would have lost the two properties. I was very unhappy to give them back fully refurbished to the vendor. We had also negotiated a £30,000 break clause if either party walked away from the deal, because I'd initially financed that amount for the refurb from my mum.



FLAT B & D, 147-149 HOE ST, LONDON E17 3AL WALTHAMSTOW

Type of property	2 x 1 bedroom flats above commercial on the high st.
Purchase price	2 Flats purchased for £312,862 on delayed completion. (£310,000 purchase price + £2,862 to cover seller's bills during refurbishment). Deposit of £1 each per flat.
Open market value	As it was a D2V sale, it's hard to establish open market value (safe to say more than we paid for them!). I would estimate 25% BMV, with the advantage of easily adding much more value through the refurb.
Purchase/ Acquisition costs	£22,894 – all purchase fees, legals, SDLT and cost of sale to exit.
Funding method	Finance for refurbishment was via private investor, with intention of bridging the full purchase price on completion. This fell through and private financing had to be found for the entire acquisition last minute. Properties were put straight back on the market after refurb for sale.
Deposit paid	£2 (£1 per flat)
Amount of funding	£368,484 (100% of costs were financed via private finance)
Borrowing rate(s)	Private finance at 0%. We arranged with our private investor to source and manage the refurbishment of their next project in return for the cost of borrowing on this project. Win win!
Total money in	£368,484
Personal money in	£0

It was important to me that no matter what happened, the money came back to her. If he had walked away, I would have still got that money back.

Unfortunately, when it was looking like we were going to have to break the deal, handing the flats back along with an extra £30,000 would have been adding insult to injury. We had to raise £320,000 in private finance in a relatively short space of time.

Luckily, we had been very social and open about the refurb online. It was a big learning curve for us because we had been laying the foundations of looking for finance without realising it. A lot of people had seen what we were doing and were following the pictures.

We found someone within our friends-and-family network prepared to lend us the money. It wasn't a cold raise, as such. But I don't think we would have been able to get it if we hadn't been so vocal about what we were doing for the previous couple of months.

Our finance ended up being 0%. Our financier was based in Australia and wanted to bring some money over to the UK to invest in a property over here. We struck a deal and agreed that the money would come via our account so that we could finish off our project, and we'd then source and facilitate a purchase for them.

It worked well, because they got what they needed and we got much-needed cash at the right time. We created a win-win for both parties.

THE REFURB

I always like to walk into a space and see what I can do with it. Not just in terms of a light refurb, but in terms of changing things around. If I can, I like to open a wall or swap around rooms.

One of the flats, for example, had a very small bathroom in the middle and then a strangely large kitchen at the back, but neither had natural light. It didn't make sense to me, so we swapped them around, and knocked through the kitchen into an open dining and living space.

The refurbishment cost £34,000 for both flats. We approached one contractor who did the two flats as one job. It was almost like one refurb because they were down the hall from each other.

One of the biggest mistakes we made was skimping on our builders. We ended up having to spend money rectifying what they had messed up. In hindsight, if we had had a slightly more expensive builder, the costs would have been the same.

It was the first refurb we had done, and it was the first time we'd ever really negotiated any of that stuff, so it was a good learning curve. Obviously, we won't make the same mistake again.

We weren't part of the property world at this point, so we didn't have anyone to ask for recommendations. We went onto MyBuilder and found a local guy. We thought that we had done quite a lot of research – checking reviews, insurances, etc – but he just wasn't that great.

Things weren't finished to a satisfactory standard. It was mostly small details, but the flat didn't look great and it was frustrating. I had to teach myself how to silicone the entire bathroom at half past midnight on a Saturday night. I'm now very good at it.

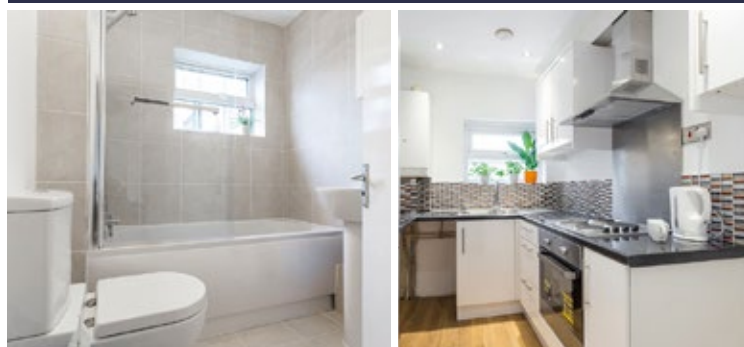
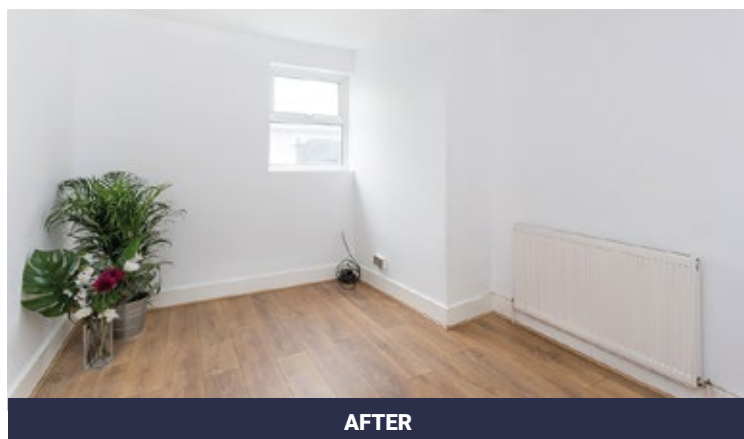
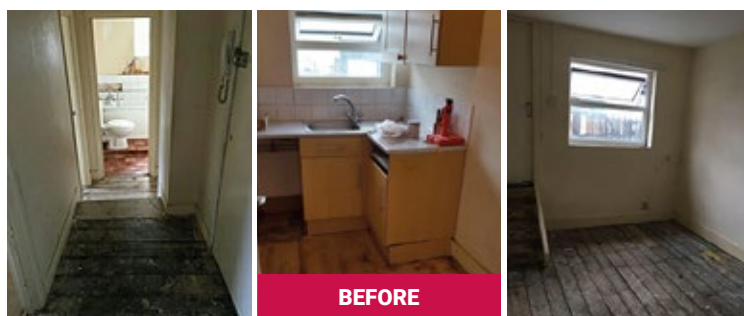
Now, we have a network we can ask for recommendations. It's something we rely on completely.

COST OF WORKS

Duration of project	8 weeks
Planning costs	Light refurb – no planning required.
Total costs	£32,728

VALUATION & INCOME

Post-works valuation	£275K and £250K (confirmed by RICS valuation)
Sale price (if sold)	£518,500
Profit	£150,016 (pre-tax)



DESIGN

My mum had just retired and had come over to spend a few months in the UK being mother of the bride in the lead up to my wedding. She accidentally became a bit of a project manager for the properties instead. Together, she and I made the design decisions.

My mum was amazing. I was working full-time running my production business, so was at the office five days a week. Along with Mat, who's a professional actor working sporadic hours, they were both able to be on site and meet builders.

SALES

Our market was either first-time buyers or investors looking for a nice little BTL for a young working couple. Because we had put both properties back onto the market straight away, we were in breach of the six-month rule, meaning someone who wanted to buy with a mortgage was going to be an issue.

They took a little while to sell, although we had a lot of interest. We sold one to a cash buyer very quickly, and the other got so close to the six-month mark that the buyers' lender allowed them to have a mortgage. We had three buyers fall through on that one. It was very frustrating.

I don't think our estate agents were particularly great either, because people coming to the viewings told us that they didn't know the flat was above commercial. I don't think they were conveying information very well.

But we sold them, and that's what mattered in the end.



THE FUTURE

We bought another flat the day before our honeymoon in April. Mat rolled his eyes when I told him the plan. We bought it on bridging and spent our honeymoon month liaising with solicitors trying to get the application through.

It's a two-bedroom flat in Tottenham and has been converted illegally into studio flats. We saw the immediate value. We're currently in the process of getting planning permission to keep it as it is, but failing that we'll convert it back into a two-bed.

It's a little different but still quite safe for us because we own another flat in that block. I know the value of the real estate in that area very well.

In a competitive property market, it's important to think outside of the box. We make some creative decisions when it comes to financing but try to do it within safe guidelines. I like to have as much information as I can.

I don't love rental properties, I find them quite dry. I like the thrill of doing a refurb and selling it on but rentals are great for small amounts of regular cash flow, and we have a small portfolio of BTLs. We see them as a rainy-day fund for the future if we ever needed to sell anything.

I love flipping and enjoy the yearly cash flow injection, but commercial is where we want to end up. We will be moving on to commercial conversions at some point in the near future.



THE PROPERTY INVESTOR AWARDS

Nomination

Since doing the deal, I started to focus on subscribing to and reading as much as I could. I was listening to a lot of podcasts, reading a lot of books, magazines, etc. I don't remember where exactly, but I saw an advert for the awards.

I nominated myself. The initial nomination consisted of putting in my name and email address. I got onto their radar, and they invited me to put together a proper proposal.

I had to explain the wins, the losses, what I would do differently, and went through the deal in minute detail. That application saw me become a semi-finalist, and on the night, I was the only female winner – something I'm both proud and mortified of at the same time.

I don't think I can underestimate that we learned everything during this process. I had only ever bought two properties before, the one I lived in at the time and the small investment flat. These were the first properties we had ever bought through a company.

We hadn't done any sort of bridging, financing, liaising with anyone apart from the average broker before. It taught us absolutely everything and we've taken it forward in every aspect, from the way we design, to the colour schemes, to the materials.

Benefit on business

The impact of winning on the business is two-fold.

One, the exposure we've had has been amazing. We've been able to do a lot of press, I've done a lot of speaking events, and been invited on to webinars and podcasts. Getting our name out there has been great.

Two, property can be a very lonely business. I was lucky that I had Mat with me, but we were still just two people. It was isolating wondering if I was making the right decisions, especially with big sums of money.

From a personal perspective, winning the award was a seal of approval for ourselves to say we did make the right decisions.



The profit coming into the bank should have been enough, but it is nice to get industry recognition.

Advice for others who want to win

You've got to be in it to win it. I don't think I can ever say that enough. I didn't think this deal was particularly special, it was just the deal we did. I didn't think the financing was creative, I needed the money and it was the only way I knew how. The fear of losing £30,000 on top of the money I'd spent refurbishing it was a pretty big motivator to pull it out of the bag.

It's only since I've started going to a lot of events and have met first-time investors that I realised that it was a creative way of structuring the deal.

For anyone thinking about applying, just do it. You might be sitting on an amazing deal that you don't value, but in the eyes of a judging panel, it might be extraordinary.

Click here to listen to our full interview with Nellie

GET IN TOUCH

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TRANSFERRING MY PENSION INTO PROPERTY WAS EASY

Mark Blackburn, property investor

Property & Pension Success Story

Mark Blackburn, 58, of Cawood in Yorkshire recently transferred his pension into property and now retells his story of the simplicity of it all and the substantial gains he has made.

"I've always backed the idea of investing in property, so it made sense to transfer my pension into a property-based investment. My experience of going through with the process recently was that it was very simple, it didn't take too much time or effort and didn't cost much either. Some years back my funds were invested in the stocks and shares market, but I discovered a property investment on Rightmove and after some research, made the decision to transfer my pension. Thankfully I got some help from a pension and property company called The Landlord's Pension. They were terrific and were on hand to help throughout, which meant I could focus on my day job."

The process of transferring a pension into property can initially appear to be a daunting one. You may not know all the industry jargon; your existing pension provider may not be keen to release funds or there may be a financial advisor that warns of the risks of investing in property or worse still, down plays the possibility of even investing in property with a pension! It's important to be wary of the underlying commercial motive. Why would these companies or individuals want to give up control of your money for which they charge you an annual fee when invested in the share market? It's not in their own financial interest to recommend property investing.

'It made sense to transfer my pension into property'

The Landlord's Pension are the complete opposite – they're all about property and reducing your costs. Established in 2004 and working in the financial sector, the company has an enviable 5-star status on Google and Facebook which readers can check out for themselves.

Mark continued "I think it's important to share with readers that after I transferred into property I increased the value of my pension by nearly 50% in 3 just years. I've now moved to a low risk UK property investment to protect my gains which I made from the previous slightly higher risk property investment". This was all achieved with the help of The Landlord's Pension. "I should add that because I invested with my pension money, the return I made was all tax free and will continue to benefit from compound interest in my new investment."

There are only a handful of flexible property and pension companies out there, so it is important to do plenty of research before committing to transferring your pension. You should also think about any benefits that you may be giving up by transferring out to a new pension.

YPN readers know there is a huge amount of profit to be made from property, so if you are going to invest in property using a pension, then commit to research and only work with reputable firms with experience. Contact The Landlord's Pension online or by phone to find out if you can benefit from investing in property with your pension.



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'The best company to work with if you want to invest your pension in property or business'



PROPERTY HORROR STORIES

PART

5

By Richard Brown
aka



TENANTS FROM HELL

We continue with the mini series on property horror stories, this time focusing on tenants. I consider myself quite fortunate as a landlord as I really don't have that many so-called horror stories to share, thank goodness! However, with a little help from my friends, here are some tenant horror stories that you would not wish to encounter I am sure.



1 NOT-SO-LOVABLE ROGUE

Hayley is a lovely lady who genuinely likes to help people out. I know this first hand as she has been so giving of her time, contacts and expertise towards me at various times over the years. So, to hear this story of hers is particularly upsetting.

Hayley has a rather nice flat in Canary Wharf. It has a roof garden, gym and all the rest of it, in what has become a sought-after postcode of London. She has rented it out without problem both before and after this story, but this one bit hard, sadly.

A young man of 27 wanted to rent the flat. His basic salary was insufficient to justify the rent, but his high commissionable earnings over the past year suggested that he could manage the rent. Previous landlord references were not available due to him living at home with his parents, which sounded plausible enough. So, he passed the reference checks and duly collected the keys to the property.

The deposit and first month's rent were paid without fuss ... then it started to go wrong. The second month's rent was delayed as was any contact to explain the situation. Finally, contact was received, along with an apology, that a family member had passed away and he had to attend the funeral abroad. Rent was finally paid around four weeks late.

The next month ... it was like Groundhog Day, although this time no family bereavement, just another excuse: "my mate was supposed to pay the rent, sorry he hasn't but I will take care of it."

He didn't.

That's when Hayley realised that all was not well. To cut a long and very stressful story short, no more rent was paid, no contact was received, and a property inspection confirmed that the flat was not lived in, just used as a postal address.

A long, arduous and very costly court process, including bringing in Landlord Action, finally resulted in possession being regained around eight months later. The total loss by this time was around £11,000 including lost rent, legal and court costs and rectifying damage to the property ... ouch!

During the process, Hayley looked up the tenant on social media and Google and to her shock and surprise, discovered that he was previously convicted of a serious assault on an estate agent. His time living at home seemed to include several years at Her Majesty's pleasure. Further digging suggested additional criminal activity.

At the court hearing, Hayley was quite anxious that he would show up and was concerned for her safety. Fortunately, he didn't show up, but has gone to ground and cannot be located to enforce the court award in Hayley's favour.

Hayley probably didn't do very much wrong here. She appointed a letting agent, who did the ID, earnings and other reference checks, which broadly checked out. So, what steps could have been taken to try and avoid or limit the damage here? Well, in the wrap-up we discuss some steps that might have helped.



2 WHEN A £500 COUNCIL BOND ENDS UP COSTING £15,000

Nicholas Stott runs a lettings agency in the Liverpool, Wirral and Cheshire area called Homesure Property, so he has seen a few things in his time. In fact, I started the conversation by saying perhaps the worst situation I have faced with a tenant was when one died in the property. He replied, I think we are in double figures with tenant deaths now. He wasn't referring to anything to do with his properties, I hasten to add.

In chatting to Nicholas, a few stories stood out and this is one of them. A landlord who lived a long way from their property appointed his agency to rent it out at the highest rent possible in the area, mainly as he seemed to have overpaid for the property and so was under pressure to achieve a high return. This led to considering a tenant on benefits that came with a Deposit Bond from the council of £500, but with the promise of the highest rent, along with direct payments, which compared favourably to others that had seen the property.

The problems began when the tenant had their benefits cut, with the amount assessed for housing reduced from £160 per week to just 50 pence per week instead. Clearly this placed a significant strain on the tenant's finances. As Nicholas observed, when the benefit cap is hit (£500 per week), the individual benefit they cut first is the housing benefit, rather than reducing the total benefit proportionately. This means the tenant has to work this out for themselves and take money from other benefits (for example, income support), to pay for their rent. This of course adds to the housing crisis and the social housing crisis in particular.

Add to this the general advice that is often provided by Citizens Advice Bureau and local authority housing departments for tenants to sit tight and await eviction. Contrast this advice when things go wrong with the 'beg you to let' approach to a benefits tenant at the front-end, and it does all seem a little bizarre and lop-sided at times.

In this case, the tenant refused access and then it took months to go through the courts to regain possession for non-payment of rent, which was further compounded by an error by the court itself. Possession was only regained when the bailiffs came around to visit, at which time, besides significant rent arrears, the property was also left in a terrible state of squalor, disrepair and damage. To add to the landlord's burden, the tenants left behind their possessions, which the landlord was then responsible for safekeeping as 'bailee in possession' for two to four weeks to allow the tenant time to return to reclaim them ... or could face a claim from the tenant if not.

All in all, the landlord had costs of around £15,000 in lost rent, court fees, eviction costs, repairs and damage. The story made the papers, just Google 'Mersey horror house'.

When asked to comment, the council said that the landlord had failed to renew the property bond after the first year, which was not strictly true as the tenant refused to sign the tenancy renewal, again leaving the landlord stranded. The property bond was

the equivalent of a tenant deposit for £500, so would not have made much of a dent in the losses suffered by this landlord anyway. Nicholas sagely said: *"the highest rent doesn't always translate to the highest profit when all factors are taken into account. It's often more profitable to take less rent!"*



3 A FEW MORE SORRY TALES

Another from Hayley, was where she let a property to a young working couple, with no kids and no pets, only for this to turn into a single mother on benefits, pregnant with a second child, along with two small dogs within six months. OK, so people's situation and circumstances do change. And we should be aware of that, showing support and understanding to help stabilise the situation where possible.

The thing here was that Hayley's mortgage and insurance specifically prohibited the letting to tenants on benefits, so she had no choice but to refuse the renewal of the tenancy and ask the tenant to leave.

However, the tenant has since 'taken advice', has not paid any more rent and has now reported a number of faults with the property that were not there before. The merry-go-round of enforced court action and delayed eviction starts all over again, so Hayley is waiting to regain her property at a huge cost in the meantime.

Another one from Nicholas. A couple failed the reference checks because the boyfriend worked on a zero-hours contract. However, his female partner was able to pass the reference checks alone, so they agreed to let the property but with the boyfriend as a named occupant, rather than as a tenant.

The couple subsequently split up and the girlfriend left, leaving the boyfriend in the property. However, it transpired that named occupants also have rights and so he could not be removed without an eviction process. Here follows what he did next:

He was growing weed, not just the odd plant but a cannabis factory. This meant bypassing the electric meter, ripping down walls, stapling doors closed and basically destroying the property. Meanwhile, he refused to pay rent and the eviction process was grinding away in the background.

After possession was granted but before bailiffs arrived, the boyfriend left the property with the back door open, rubbish bags including food waste inside the kitchen and the heating on full to create a rat-friendly environment. He also left the gas on the cooker unlit and the heating on full (no longer bypassing the meter), purely to spite the landlord with extremely high utility bills and rat-infestation problem to deal with!

Nicholas also seems to have lots of tenant stories involving animals for some reason. As he put it to me: *"other stories include snakes and spiders, a zoo-come-house, and us looking after a turtle in our office."*

The snake story was particular frightening. A couple vacated before eviction, but left behind a five-foot python in the hall way to deal with!



SOME COMMON TENANT PROBLEMS

- **Rent arrears and non-payment**
- **Doing things without permission:** pets, decorating, fixings on the walls, etc
- **Repairs, maintenance and damage disputes:** damp vs condensation, new for old replacement, tenant vs landlord responsibility for works, etc
- **Access denied for inspections, viewings and so on**
- **Deposit disputes:** fair wear and tear, cleaning, damage, final rent unpaid, etc
- **Legal issues resulting in delayed possession:** deposit protection, non-issue of prescribed information, non-compliance of regulations/ responsibilities, failing to fix repairs, tenant harassment or procedural mistakes with paperwork and the court process

LESSONS LEARNED AND STEPS TO TAKE TO HELP PROTECT OURSELVES

1. **Due diligence.** Always undertake full reference checks, including social media and Google searches, undertake a professional application process, with supporting info including copy bank statements, address checks and landlord / employer references.
2. **Communication and expectations.** Set out what is expected of the tenant at the onset, in person and in writing. Make sure any issues spotted at inspections are communicated at the time and followed up in writing. Follow up later.
3. **Protection.** Take a deposit, rent guarantee and landlord contents insurances that includes cover for rent arrears, legal support and malicious damage, unless you have very deep pockets. Remember, a deposit is usually worth around a month's rent, but the horror stories above resulted in a loss equivalent to one or two years' rent! Equally, a detailed inventory with photographic evidence can avoid many of the problems with deposit disputes at the end of a tenancy.
4. **Experience and knowledge.** Know the law and each other's rights, become an accredited landlord or appoint a respectable letting agent. Do not go it alone when things go wrong, get professional support in to get it right and reduce the stress too. Equally, certain tenant types are special cases that can involve complex legal issues to navigate, including benefits tenants. I am not going to say don't rent to people on benefits as there are plenty of decent tenants that receive benefits, don't cause any problems and just want somewhere decent to live. These don't make the headlines though. You and / or your letting agent need to be highly experienced and up-to-date with the law and the processes to operate in this sector. Then recognise that there are risks associated with the special cases that might mean the paper yield does not reflect the actual yield received in the end.
5. **Common sense approach.** Be reasonable, balanced and take a step back. Treat this as a business but when things change, as often they do, try and encourage a dialogue and a sensible and manageable resolution. Do the modern-day background checks using social media and the internet to weed out the bad apples. Set the right example yourself by providing a safe, warm, damp-free and fully working home for your tenants, undertaking repairs and fixing problems as they arise. Remember that properties do need maintaining and items such as carpets, white goods and décor, do degrade with normal wear and tear from everyday living. So, don't be too nit-picky when the tenant vacates. Finally, protect yourself from danger and recourse by avoiding harassment or threats and enlist professional support rather than be directly confrontational if things do go wrong.

Obviously, this feature does focus on some pretty bad situations that have and can arise with tenants. However, to put things into a more balanced perspective, I have not had too many tenant horror stories myself and that's why I had to enlist the support of Hayley and Nicholas. Nicholas was also at pains to explain that the reason that he has so many stories to share is that he has been involved in managing properties for 14 years now, currently handling 500, so it's more a case of probabilities than anything related to him!

However, do expect a few niggles along the way as we are talking about people and the homes they live in. Things do break or wear out and people's circumstances also change at times too. Adopt a business-like approach and many of the problems cited can be avoided, managed or protected against to reduce the chances of us facing a tenant horror story of our own.



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



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.



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ALL YOU NEED TO KNOW ABOUT ROOFING

By Mark Doyle

As a property investor, a little bit of knowledge can go a long way, whether you are facing a basic roof repair, or you're doing a large scale commercial development.

This article simply gives an introduction and touches on the subject of roofs and roofing with a few tips thrown in.

There are lots of roof styles and shapes, but generally they are flat or pitched. They are really a mix of art and science, lightweight and strong, and have two key elements: the bit that holds it up and the waterproof area. They can be plain and functional, which are cheaper and easier to build, or design-led and complex, and therefore tricky and expensive to build.

A roof is ...

Yes, it's watertight. But also ... free draining, able to withstand every kind of weather, support additional loads and allow ventilation, unless it's a newer airtight property. Roofs can be constructed from pretty much anything, but in the UK, they are usually constructed as either:

- **Pitched roofs made from:** timber and clay tiles, concrete tiles, fibre cement slates, slate, synthetic panel materials and thatch
- **Flat roofs made from:** concrete (beam, block, panels), metal (such as aluminium, copper, steel, zinc), timber (plywood), insulation and synthetic materials.

Residential and commercial roofing methods are essentially the same but obviously, the choice of materials and construction method is really dictated by scale, size and costs.

TYPICAL RESIDENTIAL ROOFS

Most residential properties will have a lightweight timber frame, known as a truss. A fink truss is a W shape and a traditional cut roof, or attic truss, provides a loft void. These have a variety of spars designed to carry and spread the weight of the roof (see Figure 2 below).

The roof itself is usually covered with rectangular overlapping slates (see photos 9 and 12) or tiles which are nailed onto batons underneath, in turn onto a layer of felt (see photo 12) or, if older, bitumen fabric.

Typical wear and tear issues in older roofs include:

- **slate slippage, due to the older nails rusting through**
- **leaks and damp chimney breasts, due to missing flashing or not being sealed into the chimney**
- **leaks visible in the room ceilings, due to holes in roof felt**
- **poor condition thatch with moss and mould; depending on the type of thatch, it needs replacing every 15-50 years.**

FIGURE 1 - TYPICAL UK ROOFS:



1 A new-build concrete tile roof



2 A 1960s-porous tile roof



3 A 1920s-clay tile roof



4 Victorian slate roof



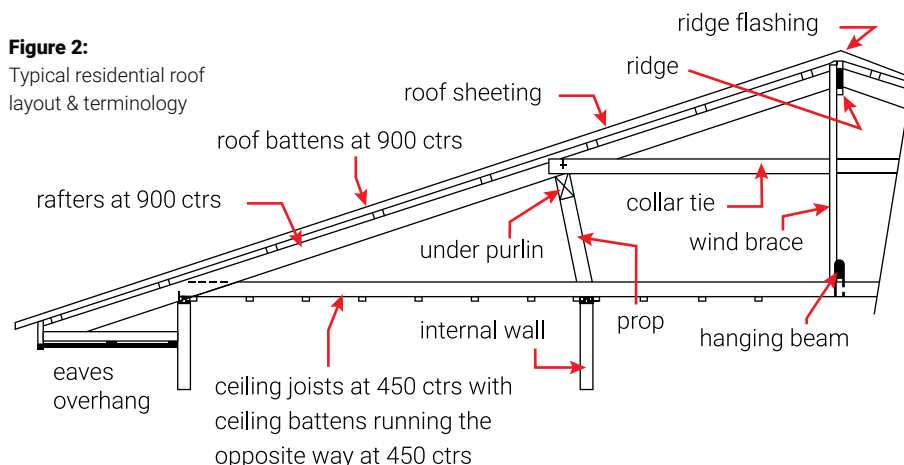
5 A new-build single-ply large span roof to block of flats



6 A new-build metal sheeted industrial roof

Figure 2:

Typical residential roof layout & terminology



COSTS

To buy a modern typical 10m x 8m rectangular roof with x17 fink trusses, bracings and clips will cost **around £1,000**. Compared to an attic truss roof of the same size, which will cost **around £2,500**. Both installation and joinery costs will be extra.

Visible issues do exist in newer roofs, even those less than ten years old. They include:

- damp and condensation of roof timbers causing rot, due to excessive insulation and blockage of natural cavity ventilation
- rotten bargeboards and soffits, due to trapping moisture by covering with UPVC fascia board, a popular choice to make it look nice
- leaks due to poor quality sticky-back type flashing use
- various problems due to poor workmanship because of a poorly trained workforce, eg poor quality concrete mixes due to poor training can produce a sandy mix, leading to lose ridge tiles
- snagging problems on new houses are common due to cheap, poor quality materials, eg Chinese slates, weak screws, bent nails, unseasoned timber etc

COMMERCIAL AND INDUSTRIAL ROOFING

Roofs that cover a larger area or span, on flats, offices, commercial and industrial buildings, tend to be almost flat or have low pitched panel roofs. They are as flat as possible to minimise heat loss from large empty roof voids. Roofs made from plywood, synthetic or metal panel materials can be as simple as a 1mm thick single-skin system for large industrial structures.

Buildings that need better thermal properties have roofs that incorporate insulation with factory-made double skins, insulated composite sheet panels usually 28mm-32mm thick.

Issues obviously arise with larger commercial roofs include weather-tightness, thermal heat/cold bridging areas, condensation, acoustics, fire resistance and durability. Although beyond the scope of this article, these issues usually require specialist input to repair or replace.

7



8



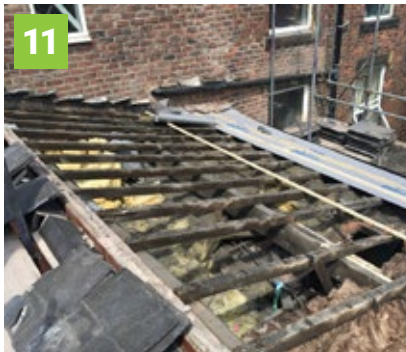
9



10



11



12



CASE STUDY LANCASHIRE

An Edwardian brick-built end-terrace of four c. 1900 with a slate roof four storeys high c. 12m-15m, large rebuilt end-gable wall and original lead guttering. (see photos 7 and 8).

Issues:

- The chimneys themselves were wet through and penetrating damp was visible internally on the chimney breast.
- Staining and damp circles were visible on the ceiling of the top floor flat, both across the ceiling and adjacent to the chimney.
- Visibly missing, cracked and loose slates (30" x 18" Welsh slates)
- During heavy rain, water would pour into the flats through UPVC windows in the gable wall from within the cavity wall.
- Bay windows to front (lead flat roof) and rear (slated sloping) leaked back into the building at first floor level.
- Inside the loft, felt was present in only one area and part rotted through.

Solution:

- Scaffold the building on three sides with x6 scaffold lifts.
- Remove the slates from the main roof for reuse.
- Remove the old cracked chimney pots, birds' nests and crumbling concrete capping around chimney pots.
- Remove plants and bushes growing on main chimney, gullies and gutters.
- Re-point chimney, re-do concrete capping, replace with old recycled bishops hat type chimney pots.
- Clean the timber frame off and repair/strengthen timber frame spars as needed.
- Fit air vents and re-cover with permeable felt, to let the roof breathe, see photo 12.
- Replace the slates and obtain x300 more from a salvage yard @ £5 each.
- Repair lead guttering, clean and clear lead flat roof and drainage pipes from front bay window.
- Strip and repair timber frame to rear sloping bay windows, and re-roof. See photo 11.
- Apply linseed oil to main chimney.

Timescale and costs

- £5,500 for scaffolding on hire for x6 weeks, inc council licences
- £4,950 for roofers, on site for x2 weeks with a break in the middle for adverse weather
- £2,000 for bricklayers re-pointing and repairing brickwork
- £1,400 for labour and materials to replace gutters and downpipes

COMMERCIAL ROOFING SYSTEMS

FIGURE 3 - TYPICAL COMMERCIAL ROOF DESIGN AND LAYOUT.



13 A lightweight Aluzinc roof



14 A steel plastic-coated cladded roof



15 An insulated composite roof panel



16 A factory-manufactured roof panel

ADDING VALUE

Roof voids, particularly in larger older buildings, are a great way of adding floor space and value to a project. Hence a little knowledge about the roof construction and the benefit of professional advice could really help you open some unused space. You could double your net profit or equity on a project, and even make a non-viable project worthwhile.

Building Regulations do not stipulate a minimum ceiling height in a conversion, apart from at least 2m headroom over a staircase. However, the loft conversion companies prefer a minimum floor-to-ceiling height of 2.1m, though will often settle for 1.9m, over at least 50% of the floor space.

It's also worth noting here that council officials, ie housing standards, environmental health and usually HMO officers, will not accept any floor space with a ceiling height under 1.5m as part of the usable room space.

WATCH OUT! – “THAT’LL BE £1000, MATE” DODGY ROOFERS

Sadly, it's mainly the smaller end of the roofing industry where you might meet leggit-and-botchit. Roofers, by nature of the risky physical job, tend to be younger, apart from the boss who may well be the only one who's trained to do the job properly. We've known roofers to arrive on site, lean out of their van, look up at a roof, inhale sharply and say: *“that’ll be £1,000 mate,”* without even getting onto the roof.

Others send their number two up and he'll come back down, whisper in the boss's ear, who will then say: *“that’ll be £1,000, mate.”* And even some roofers, who turn out to be general builders, phone a real roofer they know to come for a quick look at a £500 repair and then they tell you: *“that’ll be £1,000, mate.”*

No, not all roofers are like this, but sadly this is more common than most people realise.

How you can recognise a potential problem roofer:

- They are from outside your area and happy to travel any distance for work.

- They have a variety of mobile phone numbers and even use more than one name but have nothing on their van.
- They are happy to knock anyone else's work on the roof in the past.
- They struggle to find and replace like-for-like older materials, be they 1890s ridge tiles or 1960s porous roof tiles. They usually suggest a modern alternative.
- They never re-do anything in lead, but use a cheap modern replacement. For them, the first thing that goes from your site is your lead and the van vanishes offsite quickly for materials ... but it's probably gone to the scrap yard for cash.
- If they start to talk about uPVC edging along roof, soffits and: *“we can do your gutters and downpipes as well, mate,”* they most likely have a background in uPVC and have moved across to roofing.
- They use various types of silicone sealant to patch holes and quick-fix edges. They rarely mix any concrete, and if they do, it probably won't include a water-proofer.
- They like to be in and out, and off a job quickly. When you talk about weeding and redoing the capping on a chimney

over a couple of days, so the concrete isn't laid in too thick a depth and therefore won't slump, not to mention the re-pointing, they tend to look uncomfortable.

- They may want part payment up front and/or in cash. Obviously, limit the amount of any upfront payment.

How you can recognise a good quality roofer:

- They go and have a proper look at the roof, send or give you a written quote for the work with a timescale and start date.
- They are members of a trade association and carry insurance. Have a look at what's on their van, what state their van is in, and don't be afraid to ask.
- They are happy to let you see their previous jobs, and even know of people you can speak to about their work.
- They are local to the property, know its type and materials, and know where to go for replacement materials.
- Perhaps most importantly, they can look you properly in the eye!

DIY? When you have a roofing challenge, remember everyone needs advice in property and roofing is no different. Be prepared to speak with architects, engineers, building contractors, joiners, steel erectors and specialist roofing companies.

If you have a roofing problem, it's tempting to go up and have a quick look at the problem. Don't be tempted, no matter how brave and confident you are, to fix it yourself. It'll come as no surprise that all roofers fall off at some stage, regardless of how light-footed they are. They will all have *“remember when...?”* war stories.

CONTACT

Mark is happy to mentor or chat with anyone that may need some assistance and can be contacted at: mark@cheshlancs.co.uk or via www.cheshlancs.co.uk

Mark and his wife Claire have well over 20 years' experience in BTLs, HMOs, developments and conversions. Today, Claire runs their business while Mark's chartered engineering background allows them to work on properties in poor condition.



Introduction to... **LOFT CONVERSIONS**

Interview & Words: **Heidi Moment**

This month Martin talks us through the pros and cons of converting a loft, which can be a great way to add an extra room, but be careful, as it isn't always the best return on investment.

WHEN WOULD YOU CONSIDER CONVERTING A LOFT?

Converting a loft adds much needed space to a property. This added space is usually used as a bedroom or office space, and if you can get two or more rooms up there it is well worth considering.

Not all lofts can be converted though, so you need to get up there and have a proper look to establish whether it is worth looking into. For example, if there's just a sea of timber up there, with triangular-shaped truss rafters then it will be almost impossible to convert.

START WITH SOME RESEARCH

If you're thinking of doing a loft conversion, start by doing some research. This will give you a good starting point to be able to tell if it's worth pursuing any further.

- **Have a look around the street. If there have been other recent loft conversions, that's a good indication of what you can do to your property.**
- **Check the planning portal to see if what you want to do is permitted and double check with the council what the local regulations are.**
- **Talk to a local architect, as they will know the local regulations.**

"Don't just lift the hatch and stick your head in. Get up there and have a really good look"



Image @Bigstock.com/david martin

WHAT ARE THE KEY FACTORS TO THINK ABOUT?

HEAD HEIGHT

Surprisingly there are no regulations about head height but clearly if you're stooping, it's pretty unlikely you're going to be able to convert your loft without rebuilding the whole roof, which will probably be unfeasible from a financial perspective.

Ideally someone who is six foot tall needs to be able to stand in the loft and walk around without banging their head on the ceiling or the roof. The more area they can walk around in without banging their head, the better.

That said, there is a regulation that says the staircase must have a **two metre head height throughout its whole length**. This can sometimes be tricky to achieve and often means taking a chunk out of one of the bedrooms below to be able to get enough height. Look at how your conversion will affect the rest of the house. There's no point spending a lot of money to create a nice bedroom in the loft if you're losing a nice bedroom on the floor below.

"Always look at the impact on the rest of the house"

WATER TANK

Most lofts have water tanks in them, which take up a reasonable amount of space. If you've got a pressurised heating system then you can just remove the tank, as it is probably empty anyway. If you've got a traditional system that needs a tank then you will need to find somewhere to relocate the tank to. Putting it in the eaves can be pretty straightforward, but you'll need to put some doors on so it can be accessed to do any maintenance.

CHIMNEYS

Sometimes the location of the chimneys may cause you a problem when converting a loft. If your chimney goes right up through the middle of the dining room and living room, then it will be slap bang in the middle of the loft space. So the big question is, can you leave the chimney where it is and work around it or do you need to take it down?

Taking it down will, of course, mean you can't use the chimney any more and will need to block it up, and you'll also need to do a roof repair, which will add extra cost.

FLOORING

Something people are often not aware of is that the rafters in the loft are not designed to take much weight, so although you can stand on them when you go up there they won't hold a bed or someone walking on them every day. So it's essential to put a new floor in.

Be aware: Putting in a new floor will lift the floor by three or four inches so take that into account when calculating your staircase to roof height measurement.

INSULATION

Insulating the sloping part of the roof is also a must.

Be aware: This will also reduce the height a little bit, so take this into account when measuring your height.

DORMER

Adding a dormer is a great way to expand the area of the flat roof and increase the height within your loft space, making it a more usable space. You need to adhere to building regulations here and you will likely need to get planning permission. Each area is different, so speak to your local planning office to confirm what the regulations are in your area.

A general rule of thumb is that you are permitted to put a dormer window on the back of your property but not on the front, although Velux-type sloping windows are allowed on the front.

WHO DO YOU NEED TO HELP YOU WITH THIS?

You need these people to help you:

- **An architect, technician or draftsman** to do drawings to meet regulations and give to your builder.
- You may need structural advice from a **structural engineer** (the architect should do this for you but you may need to pay for it if it's not included in the architect's fees).
- **Party wall surveyor** to deal with the Party Wall Award.
- **Local builder** – he'll manage the other trades: carpenter, brick and plasterer.
- **Plumber**, if you're doing a bathroom.
- **Electrician**.

As always, I recommend using a local builder as he will do a lot of it himself and bring in specialists when he needs them. A one-man-band won't be sufficient for this job, but a small building team will be enough.

Avoid going to a builder who is a 'loft conversion specialist' as they're set up for doing works in residential properties and it will end up costing you more money. There's nothing complicated about a loft conversion for a general builder as long as the architect has got everything on the drawing.



PARTY WALL AWARD

When it comes to a loft conversion a Party Wall Award is needed if you're doing any work on the party wall line, which is the wall attached to your neighbour's house. The Party Wall Act says your neighbour can't stop you doing the work, but that you should agree with your neighbour before you start the work.

The Award protects your neighbour in case you damage their house and ensures you are obliged to make it good afterwards. And it also protects you from them claiming

HOW MUCH DOES IT COST?

Loft conversions are not cheap and, as with everything, putting a ballpark figure against it is tricky, but here is a rough guideline:

- **Architect** - £1500 to £2000, depending on where you are in the country and how complex it is.
- **Structural engineer** - £600 to £700
- **Party wall surveyor** - £600 to £700
- **Works** – at least £25,000 (to get one bedroom)
- **Adding an ensuite** - £2,000
- **With a dormer** – could be up to £40,000 depending on what you want up there.

“Unless you can get two rooms and an en suite, it's not likely to be a good return on your investment”

If you are doing a HMO and you spend £30,000 to get one room up there, which you can rent for £400 per month, you can see it isn't the best use of your funds.

ARE THERE ANY SAFETY ASPECTS WE NEED TO CONSIDER?

Your builder will have some safety aspects to consider when he comes to fit the structural steel and he'll think about how to get it up there and get it all in place and bedded safely. You'll also need scaffolding around some of the roof.

Your architect will deal with means of escapes, fire windows and smoke

detectors, which are another important safety aspect. They will also need to refer to the HMO licensing regulations if you are on three floors or more, as this will affect the number of fire doors etc.

Your job is to make sure you are bringing in competent contractors to do this kind of work. You're looking for a team with credibility and expertise, and who are clearly capable of managing the safe completion of these works.

WHAT CERTIFICATES DO YOU NEED?

You need a Building Control certificate at the end of the project. You will also have an electrician's certificate, which you will need to get your building control certificate.

Be aware: You will need your Building Control certificate to be able to refinance your property. So avoiding this step could cause you problems further down the line.

WHICH WOULD YOU CONVERT?

If I had to choose which part of a property to convert it would go in this order:

1. **Garage** 2. **Loft** 3. **Basement**

See previous articles on garage and basement conversions for more information.

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!



Listen to more from Martin here

CONTACT

Contact Martin with any questions you have regarding refurbishments.

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



GET IN TOUCH FOR:

- Training courses and mentoring for property investors managing their own refurbishments
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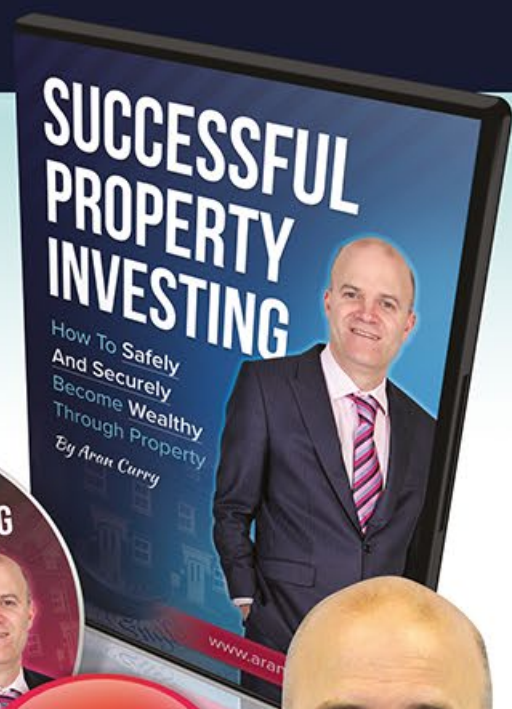
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25 CONSTRUCTION TIPS FOR BEGINNERS

By Toby Sloley

Toby Sloley has been in the building trade for over 15 years. He started at the bottom, worked his way up and now runs his own building company.

He is a qualified plumber, bricklayer and civil engineering technician, as well as a runner up in Britain's Top Tradesman 2017, where from 5,000 applicants he proved his ability and industry knowhow to get to the final eight. He has seen his fair share of building projects and challenges.

Through his building company, he carries out a broad range of works from refurbishment projects to extensions and everything in-between. Basically, he has seen and done it quite a few times over.

Toby is also an investor in BTL properties and has written an Amazon bestseller, *Through a Builder's Eye – Knowing what to look for when investing in property*. This is designed to help budding investors pick the



right property and is packed full of advice and tips.

In his first article for YPN, he passes on some trade tips for those who want to tackle their own projects or who want an insight into how builders work.

Are you looking at bringing cost down on your next refurbishment by carrying out the building work yourself? Or maybe you're fed up with the daily grind and fancy some new challenges, eager at the thought of spending your evenings doing building work or ripping down walls.

I'm starting to see more and more people take on building works themselves. When you are in an office environment for a lot of the day, or just generally stuck inside, having a project to work on when you get home can be a way of breaking free from the stresses and strains of your normal work life. At the same time, building work can help keep you fit and active and give you some completely different challenges.

I have worked in an office before and I know what it's like. Trapped inside with no fresh air, staring at the outdoors ... personally, I couldn't go back to it. I love being

outside and doing this type of work, so good on you for trying it out.

Taking the DIY approach is fantastic, but it's essential to know what you're doing, especially if you're working on an investment property. To help get you started on the right foot, I have jotted down my top 25 tips for beginners in construction. These are

especially for budding amateur builders and I hope they help you on your next building project.



TIP 1 Always get advice from a professional before carrying out any works. You don't want to be taking down structural walls or digging through power cables when installing your new drive. Leave the specialist jobs to the professionals.



TIP 2 Start small and work your way up to the bigger jobs (... so don't go all guns blazing ripping out a bathroom if you can't put one back yet). Get used to working with tools so start on something small like hanging a door, putting some studwork up, or even laying a shed base and erecting the shed – that requires lots of skills.

TIP 3 Wear the right safety equipment:

- Steel toe caps as standard with a reinforced midsole
- Gloves
- Hard hat
- Goggles
- Face mask
- Ear protection

Decide what you will need for the job, although the list above is a pretty standard requirement on construction sites now.

TIP 4 Do some labouring for a builder on the weekends.

This will help you gain confidence and you can learn a lot from watching others. Most of the trades start in some form of labouring job before they get into their chosen trade. I started labouring at weekends when I was in high school – and loved it.

TIP 5 Your own house is a great place to learn!

Try your hand at all sorts of different jobs, don't just stick to one or two. The great advantage of this is that you will be living with it, so will be able to see where you went right or wrong (hopefully right in most cases).

TIP 6 Check out YouTube.

It has a How-to guide for everything.

TIP 7 Sign up to evening classes.

Local colleges run part-time construction courses for most trade-related jobs including tiling, bricklaying, plastering and decorating. All handy skills to have.

TIP 8 Have a look at my Tools page

on my blog Allthings-property.com to get set up with some good tools for the job. You don't need to spend a fortune, but having the right, good quality tools really helps.

Don't just go for the cheapest – they usually break at the wrong moment, when you really need them. Believe me, I have gone down the cheap and cheerful route many times before and usually regretted it.

TIP 9 Build up a rapport with the local builders' merchants.

They can give you good deals on materials for your project and also give you some good contacts for professionals in the area if you need any.

TIP 10 Construction work is dangerous so be aware all the time.

I would recommend staying away from working at height and especially working off a ladder. For this type of work employ a professional.

TIP 11 Don't give up as soon as something goes wrong.

Keep trying. The builder's mentality is that a good builder can overcome anything one way or the other, the fun bit is finding out how.



TIP 12 Building work is strenuous.

Lift things correctly and don't overdo it at the start. It will take time for you to get used to the physical side of it. Don't think because you go to the gym that it will be easy, it is a completely different workout. Going to the gym for an hour vs digging and barrowing mud into the skip for nine hours a day, day after day, is no comparison. It will test you physically and mentally so take time to get used to it.

TIP 13

Following on from tip 12, cancel your gym membership – you won't need it any more!

TIP 14 Remember the 5 Ps: Proper Planning

Prevents Poor Performance. Plan what you are going to do and what you will need well before you start the job. It's the construction game so you will probably come up against something, but if the bulk of it is there and you have planned well, Proper Planning will save a lot of hassle and time as the job progresses.

TIP 15 Get to know other trades.

Chances are you will come up against something where you will definitely need professional help. For example, anything electrical, structural or gas-related. Keep a list of useful contacts so if the worst happens you have a list of trades to hand that you can call at a moment's notice.



TIP 16 Don't let other people worry you.

You will always have acquaintances that worry about everything and in turn make you worry about what you are doing. Unless they have a proven track record or a trade background, then what do they know! Get advice from a professional and crack on. Like I said earlier, "A good builder can overcome anything" and that's how you will learn.

TIP 17

Have a plan and don't deviate too much.

As soon as you start changing your mind during a project, that is when the budget and timescale go out the window. Try and stick to the original plan and don't get too hung up on minor details.

TIP 18 My old stepdad was a carpenter.

He didn't give me much advice though, because to be honest I don't think he had much advice to give. But the two bits he did have always stuck and have helped me in my business:

- Measure twice cut once (no explanation needed)
- Always clean up after yourself (this was to make a good impression more than anything, but follow this advice as you carry out the work as it keeps the work area safe)

So two tips for one there!

TIP 19 **Don't keep your phone in your pocket.** I have broken two already by heaving something up into the van or onto a scaffold and pressing it against the phone in my pocket. Also, if it's anything like mine, it's always going off and will distract you from the task at hand.



TIP 20 **Building work is physically hard and mentally challenging.**

On those long hot days when you have four tons of aggregate to take around the back garden or three packs of slabs or 1,000 bricks to move by hand, it's easy to get overwhelmed. My tip is to break the job down into smaller tasks and set little goals. For example I may say, "I'll load 200 bricks first then stop for a drink," or "I'll empty one dumpy bag of aggregate before I stop for some food," and so on. By setting these small goals throughout the day, even the most physically demanding job can fly by. I've had to do this many times over the years – when it's your full time job, day in day out, this system really comes in useful.

TIP 21 This is more of a self-improvement tip, but to link in with tip 20, if I have jobs where I'm just loading a site up all day or a mundane side of the build is going on, then I **put on an audio book** to listen to as I carry out the task. Obviously it has to be a safe environment to do this – so not on a large construction site where there is heavy machinery driving around the place. But if it's safe to do so, listen to a business audio or self-improvement book or even learn a language. It's a really good use of time and it keeps your mind entertained, all the while educating yourself in some shape or form. (There are loads of audios to choose from but to start I highly recommend "Rich Dad Poor Dad" by Robert Kiyosaki, "The Compound Effect" by Warren Hardy, "The Slight Edge" by Jeff Olson – all life changing reads.)

TIP 22 **Sketch the job out** onto a pad of paper, so if you are planning to build a fence or patio, draw it as it will look, with all the measurements. It doesn't need to be to an architect's standard, just a sketch with some resemblance to what you want it to look like. This will help you to work out what materials are needed and give you an idea of the finished product. It may also highlight potential problems that you might not have spotted if you hadn't drawn it out. Every time I see a job now I sketch it this way and take down all the measurements. I also take photos of the area so I can refer back to it when pricing the works.

TIP 23 **On the run up to your project start sourcing the materials and products you will require.** I don't just mean from the local merchants, I mean looking through Gumtree, free ads, and second-hand furniture stores. It's likely that one of these places will have the insulation you need or that Velux window required for the roof light or a certain piece of furniture, and at a fraction of the cost. Also, builders' merchants will have deals on at certain times of the year so even if it's a month or two before you start your project, pick up those cheap internal doors or slabs that are going at a discounted rate. Going back to the **5 Ps** acronym, **Proper Planning** will save you lots of cash.

TIP 24 **Reuse materials where possible** or pass them on to someone who can. This will save you money and prevent more waste going to landfill. Examples of the types of things you can reuse include timber from a stud wall (there are obvious uses for this). Or if you are gunning up concrete, you can use it as sub-base for your patio or sub-floor for your extension. I have also been on jobs where I'm taking up loads of decking or even ripping out a bathroom suite. After immediately putting it up on a site such as gumtree/free ads and advertising it "free to collector", it's then been collected from me on the same day. This saves me having to pay to dispose of it, the collector is happy as they get something for free where they may possibly have struggled otherwise, and you're also helping the environment. So a win, win, win.



TIP 25 For my last tip and most important of all, purchase my book **Through a Builder's Eye, Knowing what to look for when investing in property!** As well as going into the purchase process, it has a section on faults to look out for on properties, and their remedies. It also includes tips on working with builders and saving money on refurbishments.

Hopefully my tips will help you on your next project. But be extra safe. It's dangerous work so be over cautious.

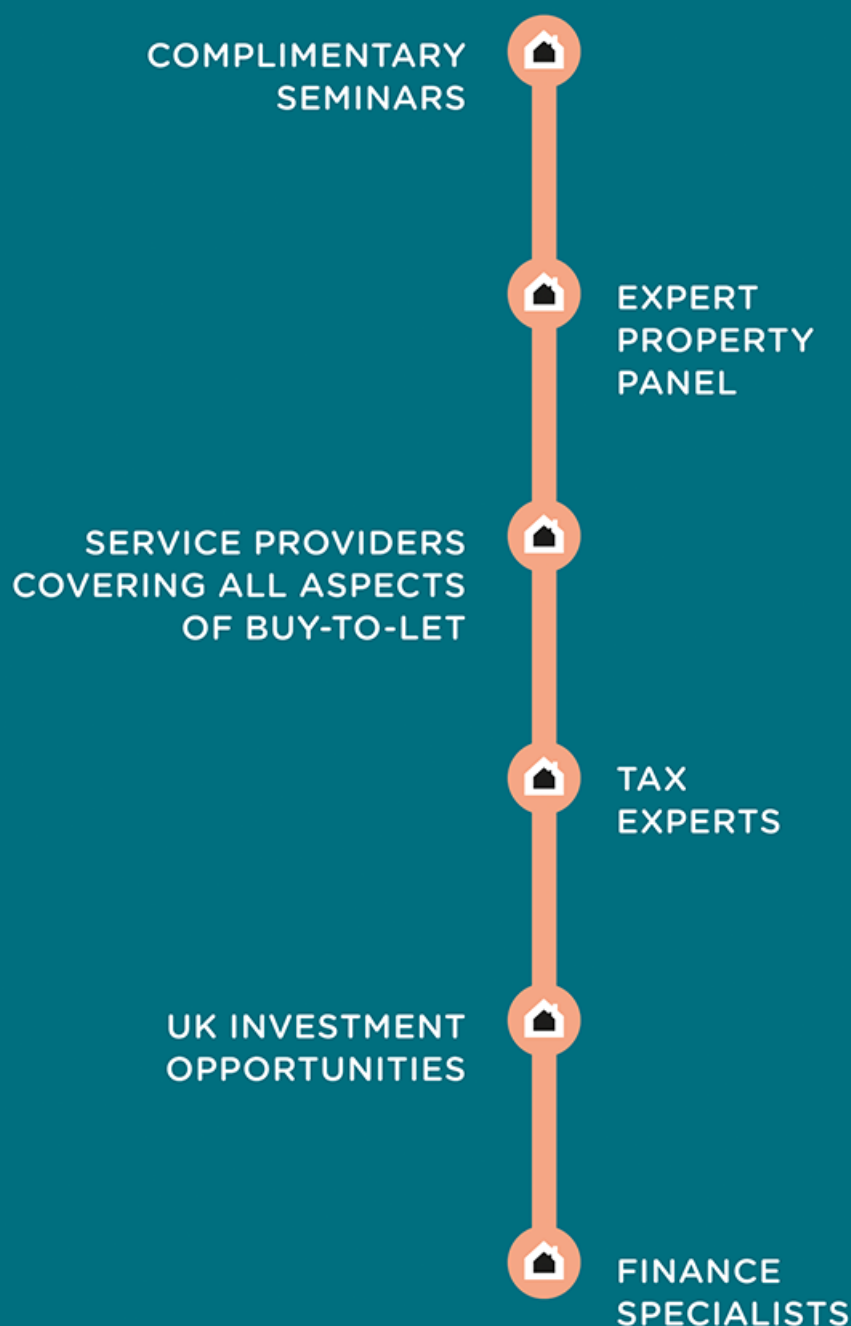
Also remember that everything is get-over-able for want of a better word. Don't be worried if you mess up; if it really goes sour you can always call in the professionals!

Many thanks for reading. Visit my website **Exeter-builder.co.uk** if you wish to contact me or see examples of building work.

Toby Sloley



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FLIPPING PROPERTY FOR PROFIT

HOW TO MAKE YOUR FLIP A SUCCESS

By **James Davis**, Founder & CEO, Upad.co.uk

Flipping property for profit is a great strategy for improving your short-term cash flow. It allows you to make some money to invest into a long-term income source, such as your BTL portfolio.

What can you do to try and ensure your flip is a success?

Flipping property is the act of buying a property with the intention of selling it at a profit shortly after. Usually, you'll undertake refurbishment work to increase the value of the property. Although, depending on market conditions and location, you will sometimes be able to buy cheap property and sell it with a healthy profit by doing very little.

Numerous conditions have to be met to ensure your BTS strategy works. Above all, it requires careful financial planning. For example, if you conduct property flips through a limited company, you pay corporation tax on the profit instead of capital gains tax – ensuring you make more with your flip.

We strongly recommend you receive financial advice from a qualified professional adviser before looking at property flipping.

Away from the financial aspects of this strategy, here are some other tips that can improve your chances of making a profit.

BUY FROM URGENT SELLERS

It goes without saying that when you're buying purely to make a quick profit, you need to buy as cheaply as possible. You need to find people who are looking to sell urgently, whether they are families selling their home to move on, landlords selling up, or people in other situations.

Don't spend a lot of time on these transactions. If the deal drags on, it's best you move on.

This doesn't mean you need to be urgent and rush to do deals. Wait for the right moment. Be aware of the housing market, especially in any area you are targeting, and you'll learn the right times to flip.



Image ©Bigstock.com/Aleutic

KNOW YOUR

AUDIENCE

It's important to think about who's going to purchase the property from you, in much the same way that when you're buying to let, you're thinking about who will want to rent the property from you.

Different people need different things from a property. You can often set your price higher and flip quicker when you choose a property with your target buyer in mind.

Key things house buyers – and renters, for that matter – are looking for are:

- **Location**
- **Is there parking?**
- **Where are the schools?**
- **Where is the closest shop?**
- **What's public transport like?**
- **Is it a house or a flat?**
- **Is it terraced or detached?**
- **How many bedrooms does it have?**
- **Is it energy efficient?**

If your desired property is near a school and with lots of parks surrounding it, families and newly-weds might be just the right people to market the house to. On the other hand, a small studio could be flipped as the perfect bachelor pad.

This is where your need to act quickly will come in. You need to buy the property before someone in the ideal target audience sees it and offers the seller a better price than you want to give.

CREATE DETAILED COST CALCULATIONS

You don't just buy a property, refurbish it without a care in the world, and then start blindly looking for a sale. You need to determine your budget.

Consider:

- **What is your access to cash?**
- **How much will any refurbishment will cost?**
- **What are the additional costs you need to think about, such as insurance?**
- **What does the sale price need to be to make a reasonable profit?**

Depending on your situation, you may be able to release equity or remortgage a current property to help you with cash flow for a new deposit or to cover refurbishment costs.

ADOPTING A DIY APPROACH TO REFURBISHMENT

DIY disasters are all too familiar to many, but you probably shouldn't get into the property flipping business if you don't know which end of the hammer to use.

You can cut a lot of the refurbishment costs by doing it yourself. For a profitable flip, you shouldn't be looking at too many expensive changes. Small touches like new kitchen or bathroom faucets, lighting and plumbing fixtures, and crown moulding can all be done cheaply and make your property more desirable.

Of course, if you manage to buy a property at a very low price then you may be able to go for larger scale refurbishments and full scale renovations, but this will depend on your situation and your objectives.

IF YOU CAN'T FLIP, CAN YOU LET?

While property flipping is a clear standalone investment strategy, it is always worth considering what happens if you can't sell the property at the price you want. Letting is one option. If you're already a landlord it may be worth factoring in rental income and yield when planning to buy a property, just in case the quick flip isn't an option and you don't want to sell on at another low price.

James

YOUR HMO Q&A

Carrying on from last month, HMO expert **Rick Gannon** continues to answer your HMO-related questions in his HMO Q&A series.

With Rick Gannon



Q) Will I need planning permission to convert a house into an HMO?

A) This is a very good question. I will break this down into segments to make it easier to understand:

- 1. Please understand that planning permission is not the same as licensing, they are different.**
- 2. You may need planning permission to convert a house into an HMO, but not always.**
- 3. The definition of an HMO is a house occupied by three or more people forming more than one household.**
- 4. The first step would be to establish whether your area has Article 4 direction. This is a direction that removes permitted development in a specific area, it may not be focused solely on HMO property but if your area has Article 4 direction then the likelihood is that it will be for HMOs.**

These points are really important and will help you to understand the difference between planning and licensing.

In areas that don't have an Article 4 planning direction, you are able to convert a dwelling house, planning class C4, into a small HMO sleeping up to six people. This can be done under permitted development and you don't need planning permission.

In areas that do have an Article 4 direction, you will need to apply for planning permission for any HMO (three or more people forming more than one household).

If you are planning on housing more than six people, you will always need planning permission, regardless of Article 4.

I would advise that you speak to your duty planning officer to establish what scheme your area operates. HMOs already operating before the introduction of Article 4 will be granted grandfather rights. It will be up to you to confirm that this is the case before any purchase.

And please note – this isn't licensing, it's planning permission and should be treated separately.

Q) How often will I need to conduct house inspections?

A) House inspections are very important and it's always a great idea to have a system that will prompt you to do this.

How often the inspections should take place is up to you. You can do this every one to four months depending on the household. If you employ a cleaner, it could be done weekly or fortnightly as part of their duties.

You will need to inform the tenants no less than 24 hours before if you want to enter their room. And although it's not necessary in an HMO, it's always polite to also inform them of the communal room inspection.

Please note that this doesn't include fire alarm testing, which I'll cover in next month's issue.

Here are some of the things you should be looking for during your inspections:

- Fire doors are not wedged open and are functioning and closing correctly
- Bins and rubbish are clean and tidy
- General tidiness of the property
- All fire escape routes are clear
- Kitchens are clean and tidy with no dirty dishes
- Door handles are fixed and secure
- Any extractor fans are functioning correctly
- Kitchen sinks are free from blockages
- Any canopy hood extractor filters are clean and functioning
- Ovens and hobs are clean and useable
- Light switches are functioning
- Light bulbs are all working
- Bathrooms are clean
- Shower traps are free from hair and debris, and tested for drainage
- Toilets are clean and flushing correctly
- Sink units are clean and draining correctly
- Ventilation is adequate, and the areas are free from any forming mould
- Radiators are tested, and the heating is functional
- Windows are tested and can open freely
- All thumb-turn locks are tested and working correctly
- Any outside gardens are kept and maintained correctly

This list isn't exhaustive, and you can of course add to it, but it gives you a great starting point.

Q) I am thinking of putting en-suites into some of my bedrooms, but I have heard that some councils are banding these rooms individually. What would you advise?

A) This is a very topical question right now, and certainly deserves some consideration.

In my opinion, en-suites attract more rent, they always sell quickly and the tenants usually stay longer. But they don't come without their problems. Certain areas have begun charging HMO rooms with en-suites as single units of accommodation, which of course can be a very costly exercise.

Currently, the Valuation Office Agency (VOA) have the following to say about the banding of HMOs. This has been taken from:

<https://www.gov.uk/guidance/understand-how-council-tax-bands-are-assessed#banding-of-houses-in-multiple-occupation>

"Banding of Houses in Multiple Occupation

Domestic properties that have separate dwellings are known as houses in multiple occupation (HMOs). Each separately let part of a property qualifies as a separate dwelling with its own band. There may be circumstances where the VOA can combine the bands.

Examples

HMOs with little or no adaptation: Where minor adaptations have been added then the VOA can put the whole property into one band. This could be where door locks are added and the occupants of the separately let parts share the kitchen and bathroom of the original house.

HMOs with adaptations to each floor: A single band can be given where each floor of a house let in parts has standard facilities and can be treated as a self-contained unit. This applies where the occupiers of the floor share a kitchen and a bathroom.

HMOs with adapted letting rooms: Separately let rooms in an HMO may have been adapted, for example, so that they have their own kitchenette or separate shower/bath and WC. They will be given their own band even though they may share some facilities. In making a decision, the VOA will look at the degree to which each part has been structurally altered.

Purpose-built HMOs: These properties would generally not be combined and would have separate assessments for each internal unit."

If you construct en-suites, be prepared for the fact that you may have to pay council tax at some point in the future.

How do we deal with this? Firstly, students are exempt, so you have no issues there. For properties that don't house students, we will simply charge this cost back to the tenant. It's not ideal and doesn't help the tenant, but in our experience, tenants really don't seem to mind. And if they are living in the HMO alone, they will be offered a single-person discount. It's all a bit woolly, but plan for the worst. Then if you do get single banding, it won't come as any surprise.



Q) Should I manage my own property, or should I have an agent do it for me?

A) This depends on your own circumstances. Whether you have experience or not, managing HMOs doesn't have to be 100% hands on, and it is largely down to the systems you have in place. Here are my top five tips for those who choose to self-manage:

- 1. Take rent payments on standing order.** It's free and means the payment should hit your account without having to chase it.
- 2. Take rent payments on the 1st of each month.** This way, you only need to check your bank accounts once a month instead of every day. It will save you loads of time when your portfolio begins to grow, and tenants really don't mind.
- 3. Conduct your due diligence on your tenant before the viewing.** There is little point in even turning up to the viewing if the tenant isn't going to be suitable. Just have a quick Google search and maybe look at their Facebook profile.
- 4. Don't be afraid to say NO.** Remember that this is your business and if you feel any prospective tenant doesn't fit, then simply don't take them.
- 5. Always charge your rent a month in advance.** Make sure this money is cleared before you check your tenant into the property.

If you still don't fancy self-managing, then that's cool. You can pay someone 10%-14% of your hard-earned rent to do this for you.

Q) I have planning permission covered, will I need a licence?

A) We touched on this in last month's edition but it's always great to have a refresh.

Ok, grab a pen! Remember, licensing is separate to planning and you should always establish your planning status before applying for a licence.

There are a few different schemes when it comes to licensing an HMO:

- 1. Mandatory licensing** – if you have an HMO with five or more people forming more than one household, then you will be required to have a mandatory HMO licence.
- 2. Additional licensing** – some areas require all HMOs to have a licence.

If you are unsure which scheme your HMO will fall under, I always advise that you call the housing team in your area.

Please refer to last month's article for the room size requirements.

That's it for this month, please keep your questions coming in by emailing them to angharad@yourpropertynetwork.co.uk

Rick

Rick is the author of **"House Arrest: A Practical Guide on How to Replace Your Income through Property Investing"**.



Rick Gannon is a best-selling author, property investor and HMO expert panellist on Sky Property TV. He has a varied portfolio of HMOs, single-let flats, commercial property and serviced accommodation holiday lets. He is also an ex-police officer but changed careers many years ago to spend more time with his family.

THE BUY-TO-LET MARKET OVERVIEW

By Chris Worthington

In the process of planning this month's article, I started to research two possible topics – land use for residential property and housing benefit in the private sector.

Both are worthy of serious consideration, and if you can stand the excitement I will return to them in future editions.

However, my plans were blown out of the water by an announcement on the BBC news and in the national press. Mark Carney, Governor of the Bank of England, warned the cabinet that a no-deal Brexit could crash house prices and send another financial shock through the economy. The cabinet meeting was part of no-deal planning sessions that discussed the "unlikely scenario" that the UK leaves the EU without an agreement in place.

He met senior ministers to discuss the overall risks of a disorderly exit from the EU. In the housing market, the worst-case scenario was a fall of up to 35% in house prices over three years, leaving many property owners in negative equity.

The Bank of England routinely carries out stress tests to check whether the banking system can withstand extreme financial shocks. In the latest report, the Governor told ministers that no deal could mean mortgage rates would spiral, the pound would fall and inflation would rise. Making the announcement he said: "Our job, after all, is not to hope for the best, but to plan for the worst."

However, it is important to note that the Governor was not providing a forecast of what will happen in the event of no deal. He was briefing the cabinet on the preparations the Bank was making if there is no deal, setting the parameters beyond what might reasonably be expected to occur. The major banks passed the test giving reassurance that the financial system can cope with whatever happens on 29th March 2019.

Reaction from the property industry to the Governor's statement and the future of house prices has been mixed. Here are some of the recent comments:

- **Independent property expert Henry Pryor** supported the Governor pointing out that he was not predicting Armageddon, or that

house prices would fall by a third, but he was making sure that if it all went wrong, the bank is prepared.

- **Nationwide's** latest House Price Index shows that for first time buyers, house prices are around the highest compared with incomes they have been in 35 years. The implication is that house prices are set to fall.
- **Paresh Raja, CEO of Market Financial Solutions**, said that the uncertainty about the nature of the UK withdrawal from the EU has not dampened the spirits of property investors, with real estate historically proving itself to be a safe and secure asset.
- **Mario Berti, CEO of property loan and bridging finance company Octopus Property**, agreed: "Despite wider market uncertainty, the returns from real estate continue to be favourable because of the supply/demand imbalance, the continued availability of cheap credit and a healthy economy."
- **James Bloom, managing director of short term lending at Masthaven Bank**, said: "The market remains upbeat despite the UK's housing slowdown, but many investors are choosing to hold fire until market conditions become clearer post-Brexit."

In search of greater clarity on future house prices and the possible impact of Brexit, I turned to reports on government websites. This is what appeared to be available in the public domain:

- **The Treasury** publish a house price index giving current house prices, but there is no in-house forecast of future house prices. However, the Treasury does publish a survey of independent forecasts.

The latest survey found that only one forecaster predicted an overall house price decline of 3% in 2018. None of the forecasters predicted a decline in subsequent years.

- **The Office for Budget Responsibility (OBR)** published a briefing paper entitled: "Possible effects on potential output of the UK leaving the EU" but there is no reference to housing or the construction industry.
- **The OBR** have also published a briefing paper entitled: "Forecasting House Prices." This has a statistical model relating future house prices to household income, housing supply and the number of households. It concludes that "house prices and household debt are likely to rise faster than income for some time yet."

I may have missed something, but I could not find anything more definite on government websites that would help BTL investors evaluate the risk of the possibility of a fall in house prices associated with Brexit. With not much to go on in terms of facts and figures, and with widely varying views from the industry, how should BTL investors mitigate the risks arising from Brexit?

Last month, I recommended that investors should look closely at the annual rate of return before making a new investment. The other actions to be taken might be summarised as back-to-basics – the strength of the local economy, infrastructure improvements and is the area where you are considering an investment improving in terms of quality life?

Have an informal chat with your advisors, your mortgage broker, letting agent and accountant and take up networking opportunities to talk with other landlords and investors. Read the business pages of newspapers including the Bricks and Mortar supplement in the Friday edition of The Times. If you are of a serious disposition, the odd copy of The Economist would not go amiss. Finally, if things do not go well in business, remember that "the only wealth is life itself" (John Ruskin, English writer and poet 1819 – 1900).



THE BUY-TO-LET MARKET IN NEWPORT

The first impression for a visitor to Newport is a lot of major roads and motorways. Great for communications, but not great in terms of the aesthetics. Newport can be accessed from six junctions on the M4 and the A48 Southern Distributor Road connects junctions 24 and 28. Then there is also the A4072, the A2410, the A4810, the A449, the A4042, the A4051 and the A468 to Caerphilly. Don't forget your Sat Nav!

Rail links are less complicated with connections to the South Wales main line, the Welsh Marches, Gloucester and Ebbw Vale. Just to round things off in terms of communications, Newport has nine bridges over the River Usk and the nearest airport is Cardiff, 48km to the south west. A proposal for a new airport on a man-made island in the Severn Estuary was rejected by the Department for Transport in 2003. The civil servants presumably thought that Newport was already sufficiently well connected.

Now you've finally arrived, what does Newport have to offer? It is the third largest city in Wales with a **population of approximately 150,000**, and forms part of Cardiff and Newport metropolitan area with a population of over one million. Historically the economy was based on steel manufacturing and exporting coal from the one of the largest docks in the world. These industries declined steeply in the 20th century, although some smaller and medium sized companies in engineering and manufacturing have continued in operation.

Newport is the base for several government agencies including **the Office for National Statistics, the United Kingdom Intellectual Property Office** (formerly the Patent Office), and **the Passport Office**. Private sector companies include **Airbus Defence and Space**, the insurance division of **Lloyds TSB** and comparison site **GoCompare**.

Newport has been successful in attracting leisure-based events and industries including the Ryder Cup in 2010 at the **Celtic Manor Resort** – this was also the location for the 2014 Nato summit – and the National Eisteddfod of Wales. The city has three museums, a restored Roman amphitheatre and many works of civic art including "Wave", a 12m high steel sculpture on the banks of the River Usk. Sports facilities include the golf course at Celtic Manor, the location for the Welsh

open, and the Sports Village at Lliswerry, home of the Wales National Velodrome.

Contrary to first impressions, Newport clearly has a lot offer in terms of skilled jobs, leisure and sport. How is this reflected in the housing market? The suburbs of the city have grown outwards from the centre, mostly along main roads, and the urban area continues to expand rapidly as new housing estates continue to be built. Over the past 15 years, Newport has been transformed by regeneration projects including the creation of new homes on former derelict and brownfield sites, and a landmark university campus.

In the city centre, a range of regeneration projects and housing developments have been completed or are currently underway.

Here is a summary:

- Once derelict industrial land, the old town dock site stretches along the riverside from the George Street Bridge to the Southern Distributor Road's City Bridge. New homes and a 20-hectare park have been created.
- In February 2017, work began on a new £100million **International Convention Centre Wales at the Celtic Manor Resort** which will bring a £70million economic benefit.
- To the east of the city, a £1billion investment is transforming the 600-acre former Llanwern Steelworks site into Glan Llyn, an impressive sustainable community which is set to deliver 4,000 new homes and 6,000 new jobs over the next 20 years.
- In November 2015, the doors of the new **Friars Walk retail and leisure scheme** opened, delivered by Queensberry Real Estate with a loan provided by Newport City Council in a bold move that has proved a catalyst for further investment. This created 1,200 jobs and new homes in the city centre.

Transporter Bridge



- Newport City Council has been awarded over £17million by Welsh Government under the **Vibrant and Viable Places programme** which has seen landmark city-centre properties transformed into attractive accommodation and commercial space.

I started to write this article with a fairly negative view of Newport, admittedly based on a couple of fairly brief visits. However, the scale of regeneration sustained in the city over long period of time has radically changed my view to being very positive about Newport as a place to invest.

Confirmation came when I looked up Newport in the All City House Price Index published by property analyst company Hometrack. The Index is a league table of year-on-year change in the average house price in the 65 major towns and cities in the UK. Newport is at the top of the table with a **year-on-year increase of 12%**. The **average house price is £154,000** and it is the only location with a double-digit increase. **Bolton (8.6%)** and **Blackburn (8.2%)** are in second and third place.

How to account for the success of the Newport housing market? I have already referred to the major sustained regeneration programme and the sports and leisure facilities. The relocation of major government offices will also have contributed and, aesthetics apart, the transport system is critical for any new investment. Finally, a quote from an investor at a recent seminar for local property investors where I was a speaker: "It's cheaper than Bristol." I can't argue with that.



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

YOU CAN'T FIND DEALS FROM AGENTS!

By **Arsh Ellahi**

Hi Arsh

I absolutely love property but have come to a standstill trying to find deals. I have been attending networking meetings, and all the people I meet tell me that they go direct to vendor to get the best deal, as you cannot get a good deal from a estate agent.

Is this true?

Faithful YPN reader

MR G, MIDDLESEX

Ha ha ha! I love this topic and I also love this question, Mr G.

I too get asked all the time where I find my deals. Let's face it, there are only two real avenues:

- **Direct to vendor**
- **Dealing with agents**

However, you have to consider a couple of things:

- **Are you buying simply for your own portfolio? Or ...**
- **Are you acquiring for other investors, therefore sourcing properties?**

If you are buying a property for your own portfolio, undoubtedly you will want to find

the best property at the best possible price. Therefore, the correct response is that you would be better off going direct to vendor.

The biggest issue I have with this though is that it can be very time intensive and there is no real guarantee of success. Let me elaborate on that ...

If you were looking to buy a property direct from a vendor in a specific area in Wolverhampton, you would have to:

- **Choose the specific area**
- **Understand the demographic within the area to fine tune your marketing message**
- **Prepare the leaflets / letters**
- **Arrange distribution / delivery**

On average, every time I do a leaflet campaign, I drop on average 10,000–20,000 leaflets in the area. Now, this may sound great, but the real issue here is that you are not in control of the rate of response.

Unless you are targeting properties that are already for sale, you will not know when to expect a call from a potential vendor.

We all hope to anticipate responses the next day, but it could be the next week, the next month or even perhaps the next year.

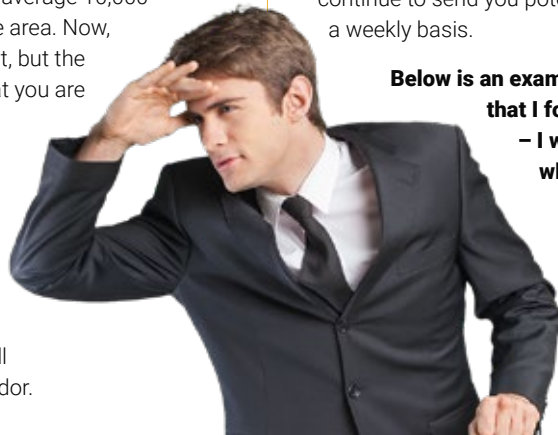
I still receive calls from vendors in areas where I delivered leaflets two years ago. At the time of delivery, the owners were not ready to sell, but as the marketing message was correct, it struck enough of a chord with the vendor to prompt them to hold onto the leaflet. Then when they were ready, they decided to call. I also ensure that each leaflet drop has a different code attached so that I can gauge which marketing method has had the greatest impact.

How can you increase your chance of success in finding deals? Even to this day, people tell me that deals do not exist with agents, or that by the time the property has reached an estate agent, it is too late.

How wrong can they be ...?

It is no secret that I am a big fan of buying property from estate agents. Treat them right and they will become your untapped resource of fantastic properties. Providing you deliver on your promise, they will continue to send you potential stock on a weekly basis.

Below is an example of a property that I found via an agent – I will let you decide whether this would have floated your boat.



TETTENHALL ROAD, WOLVERHAMPTON

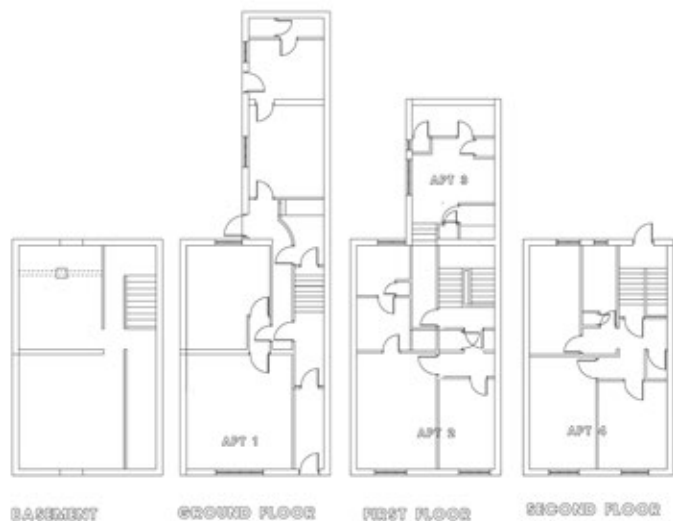
I received an instant notification when this property came onto the market. The agent informed me that it was a probate case and the executors of the will were looking for the best possible price.

As per the description, the property was a block of four flats and the vendors were looking for offers in the region of £165,000. However, this was simply to dangle the carrot.

Within the space of a week, they had approximately 40 people attend an open viewing. They received 30 offers, all around £165,000–£170,000.

I asked the agent to keep me up to date with the property, as I would like to potentially come in at the last minute. I treat situations like this a little like Ebay. I never bid at the start; I watch the herd initially and then come in on the last ten seconds.





FLOOR PLANS AS EXISTING

In the end, they went to best and finals and I decided to put in a cash offer of £180,000, adhering to the condition that exchange had to happen within 20 days.

Now here is the question – why was I prepared to pay more than the rest of the investors who were offering on this property?

Admittedly, this is why I love property. Lots of people can look at the same property and come out with lots of different ideas as to what it could become.

My vision was that it could:

- Easily be modernised as four flats, as per its existing use
- Be remodelled to generate more units from the building, without having to do any extensions or major works.

I looked at the forecast models for both angles and here is what I found:

Refurb

Four flats would achieve a valuation of circa £80,000 each = GDV of £320,000. The refurb would have cost circa £40,000 (£10,000 per flat).

On the basis of a purchase price of £180,000 plus costs, plus estimated refurb, I allowed for a total of around £250,000 including contingencies.

This would make for a profit of approximately £70,000.

Remodel

On the other hand, we could remodel the building to get **six smaller flats**, all in excess of 30 sqm, where each flat could still achieve a valuation circa £80,000 each, because they will be done to a very good standard and are effectively a new build.

This will produce a new GDV of £480,000.

The build cost in this scenario is £100,000.

The approximate profit after costs is circa £200,000.

The project time is four-six months.

After I exchanged on the property, I asked the agent what the other purchasers had considered doing with the building. The agent confirmed that no-one else had seen the potential to create additional value by utilising the space more wisely.

It is worth mentioning that in between having my offer accepted and exchanging, I engaged my architect immediately to start drawing plans and to liaise with the planning officers for the forthcoming planning application.

As the building is Grade 2 listed, we also had to deal with the conservation officer. He wanted to retain a number of features, which will be of benefit to the property as they will keep the heritage feel.

The flats are due to be finished by the end of 2018 and ready for sale in 2019. However, I always look at what other options are available. So, what happens if they fail to sell? What else can I do with them in that case?

Before committing, I studied the rental market and saw that one- to two-bed flats in this location could achieve circa £450-£500 pcm. Best-case scenario, the six flats could achieve circa £3,000 pcm.

On the basis that the flats value at the expected £80,000 each and the GDV expected at £480,000, this would mean that on the basis that my capital input, purchase, costs and build are at circa £300,000, I am still at 60% loan to value. Admittedly, this is slightly more than the rest of my portfolio as I like to keep all my lending under the 50% loan to value barrier to allow for a margin for error / correction – ultimately money safe for a rainy day.

So there you have it. The answer to the question is – **YES, DEALS DO EXIST WITH AGENTS!**

You can find hundreds and thousands of deals, a great number of which have been mis-marketed by agents, and this is where you can really profit from them.

I hope that you have enjoyed this month's article as much as I have enjoyed writing it.



If you have a question which you would like answered in an article, please feel free to email me: arsh@arshellahi.com and I'll aim to answer as many as I can over the following months.

CONTACT

As always, you can connect with me on my social feeds by finding me on:

Mailing List	www.arshellahi.com/deals
Facebook Profile	www.facebook.com/arsh.ellahi.1
Facebook Page	www.facebook.com/ArshEllahi123/
Instagram	www.instagram.com/arshellahi/
Youtube	www.youtube.com/c/ArshEllahi
Linkedin	www.linkedin.com/in/arshellahi/
Twitter	twitter.com/arshellahi

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



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



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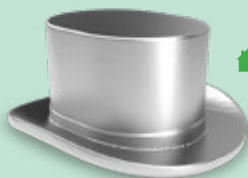
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If you would like to have a chat with me about any of these, please feel free to call me on **07967 016425**.

Thanks in advance!

Arsh Ellahi



A 0% APR LOAN IS THIS REALLY POSSIBLE?

IF YOU ARE A COMPANY DIRECTOR, THERE'S SOME GOOD NEWS ...



Gareth Bertram is a director at The Landlord's Pension. They help people throughout the UK get a better rate of return, gain more control and flexibility over their pension funds. By gaining control of their own pension, an investor can utilise the funds for investing in property through direct property assets, land, or crowdfunding platforms.

However, in this article, Gareth explains how it's possible for company directors to achieve a business loan from their pension with an effective rate of 0% APR using a SSAS pension.

WHAT IS A 0% APR LOAN WITHIN THE SSAS?

Some back ground first – a sole director or group of up to 12 persons can set up a SSAS pension and transfer in personal or former employee pensions. Legislation allows for a limited company to borrow up to 50% of all the pensions or new contributions transferred to the Small Self-Administered Scheme (SSAS). When the money is loaned into the

limited company's account, it can be used for whatever purpose the business is trading in, eg acquisition of property, land or development purposes.

First of all, a SSAS pension needs to be established along with a pension bank account. It's an easy process, and once it's up and running funds can be transferred from other pension schemes, profits, company funds, and so on. A useful analogy would be to picture the money as being held in a pension bank account which you have full control over.

"A SSAS is only available to a company director, and it is necessary to have a genuine trading company to establish one with HMRC."

The person who has established the SSAS is known as a member trustee, and they sit alongside a corporate trustee, who acts as a scheme administrator. The member(s) and corporate trustees then work together to try and achieve the member trustee's goals. For the loan to work, the pension needs a sufficient amount inside it.

Example: Mr Smith has £100,000 in his SSAS pension. He can lend £50,000 to his business. However, if he had a SSAS pension with £10,000, lending £5,000 doesn't make much of an impact. Therefore, this type of pension and business planning would not be appropriate if the most you could contribute or transfer is a nominal sum.

Under legislation, the loan and interest must be repaid in five equal and regular instalments. The maximum term that a loan can be taken out from the pension into a company is five years. On one occasion, legislation allows for the loan to be rolled over for a further five years.

Any money released from the pension scheme and transferred into a company as a loan needs to be secured as a first charge against an asset. Such assets include unencumbered freehold properties, but the loan can also be secured against an asset being purchased by the company. However, there is no restriction on what can and can't be done with the money once it enters the company's account.

Example: Mr Smith has £200,000 in his SSAS pension, and he is loaning £100,000 to his company who are acquiring an asset which also costs £100,000. At the same time, his solicitor is keeping an eye on the transactions, meaning that the asset can be acquired as soon as the money lands in the bank. This allows the asset being purchased to be used as security so a charge would be issued in favour of the SSAS pension.



Another form of security is if the SSAS is loaning money into a company with a positive balance sheet. This means the shares of the company have a value. In certain circumstances, security can be provided by the shares of the company. This is a good option for companies who don't have any unencumbered properties. In this situation, an accountant will need to confirm that the business is equal to the value of the loan plus interest.

Example: Mr Smith has £100,000 in his SSAS, and the interest due on his five-year loan is £20,000. The value of the company would have to be at least £120,000.

WAIT, I THOUGHT THIS WAS A 0% LOAN?

Let's just hone in on the 0% element for a moment.

Example: Mr Smith is at home paying this normal individual rate of tax, 20% up to £50,000 earnings and so on. He gets up and goes to work as a company director, and his company is paying corporation tax. But also during the week, he is operating as the member trustee of his SSAS, which is receiving a 0% tax rate.

In this example, Mr Smith is the sole person in complete control of the triangle of entities: his personal taxation, his company and his pension. How is this relevant to the loan? When loaning money from the pension scheme to the business, the business pays interest back into the pension.

Essentially, this is creating a situation where, by moving money from one entity to the next, any interest owed is being paid back into the owner's pension. It is the same money.

TAX BENEFITS

There is a double tax benefit to loaning money from a pension into a company. The first is that any interest paid back into the pension scheme is tax-deductible. Corporation tax doesn't apply, so the business is saving money. The second is that when the money goes into the pension scheme, there is also no tax to be paid.

However, bear in mind that the company needs to consider how they are going to repay the loan, and must have a comprehensive business plan so they can do so.

Example: Mr Smith has loaned £100,000 to his company from his pension. He needs to pay £20,000 per year for five years, plus interest. In year one, he has set his interest at 10% - £10,000. He then needs to meet the payments due to the pension and to account for it in his cash flow.

WHAT IF SOMETHING GOES WRONG?

Something will undoubtedly go wrong with the project, where there is a delay or a major unforeseen problem which affects the payments.

Remember, this is a formal loan agreement which will include penalties if a payment is not met. Although the director is only paying a penalty interest to themselves, HMRC may consider that the loan not being in accordance with legislation, and there may well be further penalties for which the pension scheme would be liable.

So who would carry the can in this case? Well, the director and the company would be at fault as they would be in default for the loan. However, it is the pension scheme that is subject to pension legislation, not the company. So, the pension would be in receipt of the penalty.

The corporate trustee working alongside the member trustee deals with loans like this all the time. Consequently, they should have the relevant experience in doing due diligence in the first place to ensure the company will be able to meet its repayments.

FURTHER LOANS

It is possible to make a loan from the pension to an external business, so long as the directors of the company are not connected to the pension holder. It can't be a company of a spouse or child, for example. It must be an unconnected third party.

It is also possible to take out more than one loan at a time, but it is only the first single agreement that can be extended for a further five years. But of course, it cannot exceed the 50% value.

BENEFITS

Moving money around through different entities that are owned by the same person cuts out the restrictions of bank lending criteria. It is the director's own money, so they are fully in control of their pension. It allows them to help them grow their business through use of their SSAS funds, and to reduce tax liability as well – assuming that they have done thorough due diligence on the projects within the company in the first place.

There is no age restriction for this process, and it can all be done before the age of 55. The only relevance that the age of 55 has in pensions is in relation to when money can be drawn down from the pension into a private bank account as a means of income and private expenditure.

The cost of setting up a SSAS is not as high as some people might think. The difference, and where misconceptions occur, is that with a traditional pension, a financial advisor is usually involved and therefore a percentage is charged to the pension for someone to manage the money. The investment product that the money is going into may be subject to a charge too. By taking control through a SSAS, these charges are removed in their entirety.

In effect, it is a matter of reducing costs by taking control.

GET IN TOUCH If you're interested in finding out more about a SSAS pension or a 0% APR loan within it, don't hesitate to get in touch with The Landlord's Pension. They can also be found in numerous pin and PPN network meetings around the country.

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SPENDING MONEY ON PROPERTY REPAIRS ...

... TO OFFSET THE IMPACT OF 'SECTION 24' MORTGAGE INTEREST RELIEF RESTRICTIONS

By specialist property accountant **Stephen Fay** FCA



The single biggest tax issue facing many landlords who own mortgaged residential rental property is the introduction of the new (as of tax year 2018) mortgage interest relief restrictions known as 'Section 24'. This article looks how landlords can spend money on property repairs to help to mitigate the impact of this significant worsening of the tax regime for private landlords (meaning, landlords who own their property in their own personal name or in a partnership).

SECTION 24 – A QUICK RECAP

The Section 24 mortgage interest restrictions mean that between tax years 2018-2021, claiming mortgage interest as an expense will be progressively phased out, and instead replaced with a tax credit at a fixed rate of 20%, regardless of the tax rate of the individual. The impact of this in many cases can convert a Basic Rate (20%) taxpayer into a Higher Rate taxpayer, without any change to the underlying property rental profits.

OK, so how can spending money on repairs help from a tax and Section 24 view?

Property repairs are of course a legitimate business expense for a landlord, and so will reduce taxable profits on a £ for £ basis. Therefore now more than ever there is a significant tax benefit in spending money on repairs which maintain and improve the value of a rental property.

For a Basic Rate taxpayer in the example above, the tax benefit of a £10k refurb **BEFORE** Section 24 was £2k (20%), however with Section 24 fully in force the tax benefit of the same £10k refurb **DOUBLES** to £4k (40%).

OK, that sounds like a good deal – but aren't I in business to make money? If I spend all my profits on repairs how does that make overall sense?

Fundamentally, of course, repairs have to be necessary and value for money in order to make overall business sense (so, no gold taps and marble bathrooms just to get a tax benefit!).

But sensible money spent on maintaining a rental property to the right standard to attract and retain good tenants is usually money well spent – and translates into better rent levels and occupancy. Spending money on repairs isn't a case of all or nothing – in the example above just

	£
Rental profit EXCLUDING finance costs	60,000
Interest payable	30,000

	No Section 24		Full-impact Section 24 (no repairs)		Full-impact Section 24 (extra £10k of repairs)	
Income calculation	£	£	£	£	£	£
Non-property income	0		0		0	
Rental profit EXCLUDING interest	60,000		60,000		50,000	
Interest payable	-30,000					
Total income	30,000		60,000		50,000	
Tax calculation						
Personal Allowance	12,500	0	12,500	0	12,500	0
Basic Rate tax band (20%)	17,500	3,500	37,500	7,500	37,500	7,500
Higher Rate tax band (40%)	0	0	10,000	4,000	0	0
	30,000	3,500	60,000	11,500	50,000	7,500
Interest tax relief (20%)			30,000	-6,000	30,000	-6,000
Final tax bill		3,500		5,500		1,500



£10k of extra repairs would have completely eliminated the impact of Section 24, and so there wasn't a need to go further than that (from a tax-planning view) once the Higher Rate tax exposure had been eliminated.

Example of routine regular repairs and renewals that almost all properties require are:

- Replacement kitchens and bathrooms
- Decoration and replacement carpets
- Upgrade of single-glazing windows to double-glazing
- Upgrade of electrics and plumbing to modern-day standards

Less regular but nonetheless important repairs and renewals include:

- External pointing and brickwork to improve kerb appeal and ensure a watertight property
- Replacing boiler and water tanks
- Internal plastering and skimming
- Replace damp proof course and external flashings, repair chimneys and flues, etc
- Roof tile / felt / battens repairs and replacements

What is a 'repair' for tax purposes?

Most day-to-day maintenance works are simple repairs and replacements of assets within a property. These costs are therefore treated as 'revenue' costs, as they are deducted from revenue (income) to arrive at a rental profit – the following provides further guidance:

1. PRE-FIRST-LET REFURBS

Often, residential landlords will complete a refurb before the first tenant moves into a property. The mere fact that repairs are undertaken not long after the property is acquired does not in itself make the cost capital. However, the most likely timing of any capital works is before first let, so it is

essential to ensure costs are claimable as revenue by carefully detailing all works and allocating between capital / revenue.

2. 'MODERN EQUIVALENTS' REFURBS

Sometimes it is uneconomic to repair an asset, or, modernisation is better. Examples include replacing single-glazing with double-glazing windows, or iron guttering with modern plastic. Where such modern equivalent replacements are used, even if there is some improvement, the costs are treated as revenue. The 'improvement' element would need to be substantial for the costs to be treated as capital – for example, replacing an old conservatory with a new brick-built extension.

In my experience of dealing with hundreds of landlords, it's rare for general works to be treated as capital, and where that is the case, it is usually beyond any doubt. Again, this is an area where many investors are too cautious in their view of capital vs revenue – seek professional advice as often the sums involved are significant.

3. HOW TO PROVE YOUR REPAIRS ARE REVENUE

If mortgaged, the property will have been surveyed by the lender. On the survey report, the surveyor will have indicated if the property was currently lettable. If "yes", this is good evidence that costs incurred after purchase but before first let were general repairs and so revenue costs.

If a retention is placed on the mortgage offer, again, this provides good evidence as to the proportion of the works that is capital vs revenue. Surveyors often state that "floorings, kitchen and electrical fittings need updating" – so, in the event of a £3k retention (say), we might only need to treat £3k of the refurb costs as capital.

"Other useful proof is video or photographic evidence, to show that the property was fit for let before works. If the property was bought already let, again this is good evidence of condition."

Finally, be sure to have tradesmen describe the works carefully on their invoices. HMRC will only ever conduct a desktop check of the tax treatment of costs – they won't visit your property – so we need to make it easy for an inspector to agree with us. Evidence helps to do this.

4. 'INCIDENTAL' IMPROVEMENT

Often, there is a small degree of incidental improvement when completing a refurb, which strictly should be split out and treated as capital. However, by HMRC concession, such works are treated as fully revenue spend, where the capital element is modest and incidental.

5. REPAIR PROVISIONS

A 'provision' allows an investor to include the cost of refurb works into their accounts and tax return for the year, even if the work has not yet been completed, or if it has been completed but the invoice has not been received or paid by year end. To do this, the investor must have actually incurred the liability – for example, the works have been ordered by the freeholder, or the works have been done but are not yet invoiced.

TIMING OF EXTRA REPAIRS – PHASING OF SECTION 24

Spending more on property repairs and maintenance makes tax sense for landlords who are Higher Rate taxpayers, given HMRC are effectively paying 40% of the cost via tax relief. But, bear in mind that Section 24 phases in over four tax years (2018, 2019, 2020, 2021), with 25% / 50% / 75% / 100% of finance costs in those years being replaced by a flat-rate 20% tax credit.

So there is some tax sense in spreading additional (non-emergency) repairs into future years, to ensure a Higher Rate (40%) tax benefit, rather than embarking on a single-year very significant repairs

programme, which may mean that some of the spend is only tax-deductible at the Basic Rate (20%) rather than the Higher Rate (40%) of income tax.

BALANCING TAX-PLANNING WITH OTHER CONSIDERATIONS

Spending more on property repairs and maintenance makes tax sense for landlords who are Higher Rate taxpayers, given HMRC are effectively paying 40% of the cost via tax relief.

However, as mentioned earlier, it is only beneficial to make necessary and value-for-money repairs, even with the tax benefit. For my own portfolio, there is always a property that could do with a new boiler / kitchen / bathroom / some tiling or flooring / external works / decorating, etc – I would be surprised if the average portfolio landlord ever runs out of repairs to pay for.

Also, it's tempting as a landlord to only ever spend money on repairs between tenancies, but keeping repairs ticking over can make for happy tenants and avoid the void in the first place.

Often tenants will also chip in with labour and pay towards mid-tenancy repairs, which can keep tenant satisfaction high and maintain rent and occupancy levels (don't forget the fundamentals of renting property haven't changed with the introductions of Section 24 – this is a 'fixed cost' business where the big costs are largely fixed and income rate and occupancy levels determine overall profits, like hotels and airlines for example).



IN SUMMARY ...

Spending money on necessary and value-for-money repairs can mitigate the impact of Section 24 mortgage interest relief for 'private landlords' (ie those not operating via a company) who are pushed into being Higher Rate (40%) taxpayers as a result. Most landlords can see the sense in spending money on minimal repairs, but there is also now a substantial tax benefit in many cases in spending more on water-proofing, weather-proofing, kerb-appeal improvements, as well as the more usual kitchens / bathrooms / decoration. And, keeping paying tenants happy with sensible and business-savvy repairs that HMRC chips in 40% for sounds like a good way to operate a successful property rental business.

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LEGISLATION UPDATE

THIS MONTH'S UPDATES ...

- **The Tenant Fees Bill**
- **Proposal for three-year tenancies**

There are a couple of Bills going through parliament that we need to keep an eye on.

By **Mary Latham**

THE TENANT FEES BILL

This had its third and final reading in the House of Commons on 6th September. Some issues are being fought over like dogs with a bone.

Allowable charges / permitted payments

This legislation will be based on a **list of items / services for which tenants can be charged**, rather than a list of items that are *prohibited* from charges. That is why it is the subject of so much debate. The changes proposed at this stage are:

- **The tenant can only be charged for an allowable payment during the tenancy if the act or omission was listed in the tenancy agreement; there can be no separate agreement to make payments**
- **Allow letting agents to charge fees for various services connected with the establishment or renewal of a tenancy, but cap them at £300**
- **Remove set default fees as a permitted payment, and permit the payment of landlord and agent expenses where there is a clear cost due to a tenant fault. In other words, the tenant couldn't be charged a set fee of say £30 for a lost key but could be charged the actual cost of replacing the lost key if a receipt is provided. The proposed change will also remove the possibility of a tenant being asked to sign a separate contract / agreement to pay fees other than the AST.**

On a positive note ...

"Members from across the House, the Housing, Communities and Local Government Committee, and those who provided evidence to the Bill Committee have agreed with the principle that it is

not fair for landlords to pay fees that arise due to the fault of the tenant."

The reason this is still the subject of so much discussion is because tenant groups are making a case that the ability to charge fees to tenants, who have caused expenses to landlords and letting agents by their action or inaction, gives us an opportunity to abuse this "power". They want to dot the Is and cross the Ts to prevent that happening.

This is one of those situations where landlords who do the right thing and treat tenants fairly are frustrated by the prospect of more red tape and increased expenses. Unfortunately, these issues are caused by landlords and agents who have abused the fact that they are holding (often several thousand pounds) tenant deposits.

Deposit protection legislation has failed to adequately protect tenants from rogue practice; we have seen this from high profile cases with large letting agencies.

Many landlords and even agents still fail to protect tenants' deposits, and thus force them to pay to get their legal rights.

Someone said to me recently: ***"But if they don't protect the deposit how do they get rid of bad tenants? They can't use Section 21."*** That sums it up nicely. A law-abiding landlord or agent would wonder, but unfortunately those who don't bother about one piece of legislation also ignore the legislation that prevents illegal eviction! We will therefore suffer for the rogues as this legislation is tightened to prevent abuse.

This quote from the debate shows the strength of feeling:

"May I mention a case involving my constituent, which is not uncommon in my constituency or in constituencies throughout the country? A young mother paid a deposit of £595 to her landlord for a wet, mildewed house in Rock Ferry in Birkenhead. When she was driven out by the mould, the landlord claimed that the bins were not emptied by the local authority, so she lost her £595 deposit. She wished to pay the rent for her new property on a day that coincided with her universal credit payments, but the



Image © Bigstock.com/weyo

landlord said: 'Well, there's no repayment of your previous deposit, and I want £900 up front if I'm changing the rent day.' In the meantime, during all that stress, my constituent lost her triplets. Will she be covered by the Bill, as amended?"

Frank Field (Birkenhead) (Independent)

In reply, Rishi Sunak said this Bill was only part of the government's determination to ensure that landlords and tenants have a more balanced relationship. He mentioned Karen Buck's Fitness for Human Habitation Bill as another part of this, which I have covered in previous articles. Its main aim is to give landlords the legal obligation to offer property of a "fit" standard to rent, which must be maintained throughout the tenancy, and if that doesn't happen, for tenants to be able to take speedy enforcement action at no cost to themselves.

Mr Sunak also said:

"The issue of transferring deposits from one tenancy to another is out of this Bill's scope, but the right hon. gentleman will be pleased to know that the government has convened a working group to examine deposit passporting. The group has already met, and the findings will be published in the spring of next year."

The only way I can see a system of passing a tenant's deposit from one tenancy to the next working, is if the monies are all held in a custodial scheme. I can see how simple this would be from a tenant's point of view, especially if there were no deductions from the deposit, but it's not quite so clear how it would work if there were deductions.

1. If the disputed amount was held back, pending arbitration, presumably the outgoing landlord would have to wait as he does now. But what about the incoming landlord? Would he be expected to accept the balance of the deposit that was not disputed and await the outcome of arbitration before knowing whether the tenant needed to top up the deposit, or whether he would receive the balance from the scheme?
2. Is he expected to give the tenant access to the property on this basis? Will the scheme guarantee to collect the balance once the arbitration case is closed, or will the incoming landlord be expected

to ensure the tenant pays the balance into the scheme?

3. Will this be covered by GDPR? This is private business between the outgoing landlord and the tenant – do tenants really want it to become known to the next landlord? Would the incoming landlord be hyper-vigilant if he was aware that the new tenant was in dispute with the outgoing landlord because of rent arrears, damages or cleaning? It would be very difficult to ignore, and may give rise to micro-management. Do tenants really want that? I doubt it. Actually, neither do landlords.

I believe this will be high on the agenda once the current legislation is finalised, scheduled for next April.

a payment, that payment will be prohibited where it is paid to an agent or landlord after a period of 12 months.

Enforcement of this legislation caused a lot of concern, with the point made that enforcement of publication of tenant fees has been poor. Rishi Sunak replied that the government is putting £500,000 into enforcement via Trading Standards in the first year, and the potential penalties of up to £30,000 which can be charged, will fund the future.

I suppose we can be grateful at this point that the request from the Mayor of London, Sadiq Khan, for a deposit cap of three weeks' rent, rather than the six weeks currently in the Bill, was not debated! Phew!

A comforting quote from Rishi Sunak:

"The Bill is not about driving letting agents out of business, but about levelling the playing field so that the small minority of bad actors in the industry are not able to continue to the disadvantage of the vast majority of agents who do a terrific and valuable job, which we want to see continue."

During the debate, it was mentioned that the government is consulting on introducing the need for **landlords to become members of a Property Redress Scheme** to enable tenants to have redress at no cost. I'm sure we

will see that next year. I'm also fairly sure that once the government is confident they have controlled letting and managing agents through new and amended legislation, they will turn their attention to controlling private landlords by expecting us to adhere to the same legislation, or use a letting and managing agent who does.

I speak to hundreds of landlords every year and now hear more saying that they either need to get out or find a good agent because they can't cope with the stress of getting it wrong due to constant changes to legislation and regulation. Some landlords wouldn't want to use an agent, in which case they would need to be up to the same level as an agent. But I believe many would be willing to stand back so long as they were confident the agent was doing a good job.



Other discussion points in this debate also made me nervous:

"We want to ensure that the Bill delivers on the policy intention that the party who contracts a service should pay for the service. We have already been clear that where tenants procure their own third-party services – for example, a reference check or an inventory – they should be responsible for the cost. The legislation allows for that, although agents and landlords cannot, of course, require a tenant to use and pay for a third-party service."

Ahem! I have no doubt this will be changed before too long.

If you are wondering what will happen to an existing tenancy once this Bill becomes law, this has been covered:

Where a tenancy agreement, entered into before the ban came into force, stipulates

PROPOSAL FOR MINIMUM THREE-YEAR TENANCIES

On 2nd July 2018, the government published:

“Longer tenancy plans to give renters more security”

The Secretary of State for Communities proposed the introduction of a minimum three-year tenancy term, with a six-month break clause.

It was the beginning of an eight-week consultation, **Overcoming the Barriers to Longer Tenancies in the Private Rented Sector**, which ended on 26th August. At the time of writing, this was still under analysis before findings were published.

So why am I writing about something that has not yet been published?

The Sun Newspaper had reported that the government and the treasury were back-peddling and trying to make this proposal go away. During Prime Minister's Question Time on 5th September, Helen Hayes MP (Dulwich and West Norwood) asked:

“It has been reported this morning that the treasury and Number 10 are blocking plans for legally binding three-year tenancies for private renters. This is of great concern to private renters in my constituency, including many families sending their children back to school this week not knowing where they will be living this time next year.

“Will the Prime Minister make a clear promise to private tenants that they will be entitled to three-year tenancies in law?”

Theresa May's reply was more interesting in what she didn't say than what she did:

“Can I say to the Honourable Lady that we are keen to support tenants to access longer, more secure tenancies, whilst also ensuring obviously landlords are able to recover their property when needed.

“The consultation on overcoming the barriers to longer tenancies in the private rented sector closed on the 26th August. It considered the various barriers to longer tenancies and how to overcome them,



it did propose a new three-year tenancy model with a six-month break clause. We asked for views on viability on how that could be implemented, we are now analysing those responses and will provide information on the next steps once we have done that.”

She failed to give the promise she had been asked for. There were no follow up questions, which leaves us waiting for the publication of the results of the consultation. The Sun is not my usual point of reference but I believe they are right and that at the very least three years will be diluted to perhaps one year, or the six-month break clause will be available to both landlords and tenants if a three-year tenancy is offered.

Some of the points made in the consultation document were so far off the mark that I will be interested to see the results:

20. However, there are wider benefits for all tenants – regardless of their individual circumstances. Longer tenancies can provide a form of consumer protection, ensuring that tenants can confidently make a complaint where they are entitled to without fear of eviction.

In my opinion, this is the crux of the problem. Landlords are now housing far too many tenants who should be in social housing. Private landlords who offer homes to these tenants need to be fully aware of their expectations:

1. A home for life
2. Below market rent
3. Option to buy

Private landlords may well accept below market rent. In some areas there is no option. But we are unlikely to want to meet their other hopes and this is where the problems begin. The PRS should be seen as a stepping stone or bridge between homelessness and social housing for this

tenant group, not as a viable long term option. **The whole discussion needs to stop now. Trying to turn tomatoes into potatoes is what is causing this problem and it's not going to stop until we private landlords assert ourselves.**

I don't want to see private landlords refusing tenants on benefits or those who are forced to come to us because we are their only option. But I do want to see us, as a business group, making our offering clear and in particular making clear what WE ARE NOT OFFERING ... ie:

1. A home for life
2. Below market rent
3. Option to buy

Rearranging the deck chairs while the Titanic sinks is wasting valuable time.

GOVERNMENT – The PRS is helping you house people who want long term social housing, while you find them a permanent home. Don't make your inability to provide what they want our problem.

LANDLORDS – If you cannot meet a tenant's expectations, don't take them. It will only end in tears.

TENANTS – The PRS is tenure of choice. If you can't accept what we can offer, find an alternative. If you haven't got an alternative, live in our properties while you look for somewhere that meets your needs, but please don't expect us to become social housing providers.

FINALLY ...

Two of the recommendations from **The Rugg Review (II)** may bring more changes:

- Deconstruct silos – the law is confused and contradictory. Abolish licensing and introduce a new system.
- Adopt a new approach to regulation with a property MOT, landlord register, and HMO register with fees set nationally.



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



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AN MOT... ON A HOUSE!

By **Graham Kinnear**

Many property landlords feel that the amount of legislation that they are obliged to comply with has increased manifestly over the past few years. Others think that some of legislative decisions are inconsistent, such as requiring a landlord to produce a Gas Safety Certificate at the start of the tenancy but not requiring the landlord to check the electrical installation on an annual basis. Regardless of your view, it is certainly a subject which promotes discussion in the property community.

A further recent suggestion has been made by Dr Julie Rugg, a leading housing academic at York University who believes that all rented homes in England should be subject to yearly *Property MOT* tests, carried out by independent property inspectors, to tackle sub-standard living conditions.

On the face of it, I can imagine many landlords being upset at a potential extra cost and an additional test to comply with, but I believe that annual inspections of this nature would be a good idea.

Such an inspection has the ability of bringing together a number of critical issues for the landlord in one simple, convenient visit.

Many landlords who manage their own properties do not inspect them regularly enough to spot problems at an early stage. Indeed, their technical knowledge may be such that they are unable to identify defects in their early stages. The majority of landlords appear to operate a reactive management service, attending their property only when they are notified of a problem. To illustrate this issue, I was once involved with a property where the tenant, with the landlord's consent, fitted a shower. Unbeknown to the landlord, the tenant did not seal the shower tray sufficiently and by the time the tenant reported a problem, the ensuing rot meant that the bathroom needed to be removed

and the floor joists replaced at a cost of several thousand pounds. An earlier inspection could have noted that some silicone was all that was needed to finish the shower installation properly.

Requiring an MOT would ensure that the property was inspected by someone suitably qualified at least once a year. In the event that an issue such as wood rot, damp, invasive plants such as Japanese Knotweed or simply damaged rainwater goods were noted, then the remedial costs at an early stage could be significantly less than waiting until the tenant noticed a more significant defect and reported it to you.

I suspect that if introduced, the inspection would focus in a similar way to the current HHSRS, and would consequently consider items such as damp and mould, excess cold, asbestos, carbon monoxide, radiation, crowding and space, security, lighting, noise, likelihood of falls, electrical hazards, fire safety, structural integrity. Surely it makes sense that these issues are regularly reviewed and risk assessed?



More encouragingly, the report states that the existing HMO licence and selective licensing regime should be replaced with simpler regulation. I certainly agree with this suggestion as in my experience, landlords are generally unhappy about the costs of selective licensing as it is an additional cost to the landlord without a corresponding improvement in the quality of the property they offer. If you study the number of prosecutions under selective licensing, the majority are for failing to obtain a licence rather than for actual breaches of the Housing Act 2004. In my local authority area there have been 26 prosecutions – three for breaches of the Housing Act and 23 for failing to have a licence.

The MOT on the other hand could ensure that issues are highlighted early and provide the incentive for a landlord to invest in the maintenance and improvement of their property. Furthermore, the system may even make the remote management of your portfolio more achievable than is currently the case.

Arguably there is a benefit for all concerned. The MOT could give tenants the confidence that the property is fit for purpose and that standards will not lapse in the future. Additionally, it could give the tenant a better understanding of what repair and maintenance obligations the landlord is responsible for. Landlords will take comfort that there are no undiagnosed issues at their property and that they are better protected from a housing-related prosecution.

Optimistically, I wonder whether an MOT-style system could improve the profile of our industry? Many commentators still believe that there are huge numbers of sub-standard properties being let. Such a system would not only demonstrate that this is not the case, but that it would not be so on an ongoing basis either. Annual gas safety inspections have been around for many years now and I cannot recall ever seeing a headline which states that there are thousands of sub-standard boiler installations in rented property. With an MOT inspection, I can only presume that the media would have to concur that all rented properties are safe.

This could be just what we need!

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



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



BUYING A NEW BOILER

By David Lawrenson

This month David Lawrenson, landlord expert at LettingFocus.com, looks at what you should consider when buying a new gas boiler for your rental property.

As it gets colder and boilers are used more intensively, this is often the time they break down. So it's a good idea to test your boiler out before the really cold weather starts in January and February, when everyone else is shopping around for a new one. You don't want to end up being stuck in a queue.

These days, tenants have the reasonable expectation that they shouldn't be left in the cold for a long time. Just in case, we always provide electric fan heaters to tide our tenants over for a day or three if a boiler is being fixed or replaced.

It's also good if your heating system has an immersion heater and/or you have an electric shower, so they can at least have a warm shower in the event of a gas boiler problem.

When big things go wrong with boilers, or when they need new parts more than once a year, it is probably the time to admit you need a new one. Fixing it repeatedly is usually just not worth it.

The cost of new boilers has gone down significantly in the 30-odd years I have been a landlord. And, so we are told, they are far more efficient at transferring fuel into heat than back in the old pre-condensing-boiler days.

That may be true, but in next month's YPN I'll be looking at how manufacturers today are not exactly straight with their data on boiler efficiency. So, just a heads up to look out for that.

There is no doubt that the larger the portfolio of properties you have, and the more work you've given to the same heating and plumbing contractors, the nearer to the front of the queue you'll be. And all at a reasonable cost.

But if you are just starting out as a landlord, or if you have properties all over the country with no more than two in any location, it can be harder to get to the front of the queue.

90% of our properties are within 20 miles of each other. We give all our landlords' gas certificate work, plumbing and heating call-outs to one or two local tradesmen.

Consequently, they get a regular flow of maintenance work from us, which can be as profitable as working all day



"90% of our properties are within 20 miles of each other."

£200 fixing an old boiler, or if the time has come to get a new one.

fitting new boilers on different call-outs to many clients.

I trust these experts to make the right calls on jobs to be done. And because I give them a lot of work, I don't expect them to rip me off by doing anything unnecessary. In fact, the fitter only needs to call me if there is a decision to be made, such as whether to spend

Note: If you use a letting agent, this is the sort of thing they will call you about too, which is perhaps a reason not to use a letting agent for anything other than finding tenants.

You will of course be aware that the likes of British Gas are very keen to get the business of landlords and to fit and maintain new boilers for them. They, and a number of other companies like them, sell a variety of service contracts in which they promise to maintain an array of household appliances, look after plumbing and drainage, etc, for an annual fee.

But their fees tend to be higher than a local independent gas-safe fitter. Sure, you have the reassurance that if anything goes badly wrong, you could always write to the Chief Executive of British Gas and threaten to write to the Daily Telegraph and things will get fixed. However, if you opt to avoid the big corporations and use an experienced local independent fitter, you'll find that not only will you pay less, but many of them can provide up to a ten-year part and labour guarantee on certain models as well. **The key here is that it's not the fitter giving the guarantee, it is the manufacturers, who are also big companies with reputations to protect.**

Both Worcester Bosch and Vaillant, two of the biggest players, offer such long-term parts and labour guarantees – provided the machine qualifies. Many machines will come with at least a seven-year guarantee, as long as it has been fitted by tradespeople who have built up a track record and are fitting a certain number of boilers each year. Check with the fitter whether they are qualified by the manufacturer to give you longer guarantees. And get all this in writing before you commission the work.



"When you have a good machine backed by a long-term parts and labour guarantee, who needs a service contract from British Gas or Homeserve, or some other service company?"

As far as we are aware and from our experience, the big manufacturers are usually pretty prompt at coming out and fixing broken machines under guarantee, though it may take a few days in the middle of winter when breakdowns tend to peak.

British Gas and other providers offer no hard-and-fast guarantees either, it should

be noted. And, of course, if the machine is still under guarantee, there is no charge for the call out or the work to fix it.

To continue to qualify for the guarantee, you will need to have your boiler serviced annually by a qualified gas-safe registered fitter.

Don't forget this and make sure to record the service in the log book that came with your boiler. In practice, of course, they rarely break down within the guarantee period.

We always buy the machines with the longest guarantee period, which means that we usually have ten worry-free years on our boilers. That works for us. Though, I admit I have not had to call out within the guarantee period yet.

Final Comment on British Gas ...

Back in 2004, a one-bed flat – where my old boiler of 25 years+ happily chugs along to this day – was being let to a London-based housing association under a housing association lease scheme. They took the property off my hands for four years, paying a guaranteed rent. Within their contract they looked after most of the repairs in the property, and they had entered into a service contract with British Gas for the boiler. Their contract with British Gas covered most things, but not major breakdowns which might require a new boiler.

A few years into the letting period, I was contacted by them to say the boiler had broken down and British Gas had said it could not be fixed and we needed a new one ... and it would cost in the region of £2,500. Instead of taking their word for it, I had my own fitter look at the boiler. He came around and fixed it for a fee of £80. It is still working 14 years later.



Image © Bigstock.com/Rozhnovskaya Tanya

David Lawrenson is the founder of LettingFocus.com and an independent expert and consultant in residential property investment. He specialises in providing independent advice on BTL and property investments. Contact him at david@lettingfocus.com

He is the author of two books: the recently updated "Successful Property Letting - How to Make Money in Buy to Let", and "Buy to Let Landlords Guide to Finding Great Tenants".





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HOW TO MANAGE YOUR PASSIVE INCOME PART 1

By Jacquie Edwards

So many property investors are looking for the elusive passive income, often advertised as being achieved by just letting out rental properties and then heading to the beach with your margarita while the money rolls in.

I have a slightly different view on passive income and property investing. You see, I don't believe in passive income for property owners.

Even if you hand that property to someone else to manage, you still need to oversee the person or company managing your property. And you still need to remain in control of your empire and know what is going on. It is your property and you are the one ultimately responsible for the health and safety of your tenants, and for the health and safety of your bank account.

And while I totally agree that you can gain financial freedom and have an amazing quality of life, you need to think about delegating vs dumping your responsibilities as a landlord.

You hear so many stories about people with dodgy letting agents – the ones who didn't register deposits and ran off with all the money, or agents who let the tenants go six months in arrears before notifying the owners, and so on.

But I think it is also the fault of those property owners for not managing their agents properly. A letting agent can be a great part of your team and can go a long way to systemising your property portfolio, so that you aren't the day-to-day person responding to tenant phone calls. However, like any business owner you need to have a rhythm of review for your assets.

"You don't see Richard Branson lying on the beach and talking about his passive income. While he does have time to have lots of fun, he makes sure he is involved in businesses he enjoys."

The key is that he is involved in each business in his empire, he doesn't just set it and forget it. Instead he has great people and teams around him to manage the day-to-day running of the businesses while he manages those people.

He meets with his advisors regularly and reviews key performance indicators to make sure that everything is running smoothly.

And when major issues are identified, he digs a bit deeper and makes sure the right person is getting them resolved. While a major issue for Sir Richard might mean millions of dollars going astray, whereas for you it might mean hundreds, you can use the same logic in your property business.

I strongly support having someone else manage the day-to-day of your property empire, whether it be a letting agent or property manager.

As you are building your portfolio, you may need to manage and take care of everything yourself for a while, including finding the tenants and taking their phone calls.

But as your portfolio grows, you will need to start outsourcing those small, time-consuming day-to-day tasks. The first place most people go is to a letting agent, which can be a great addition to your team, as long as you remember there is a difference between delegating tasks and dumping tasks.

Delegating involves having a structure for handing over work and maintaining some level of review and responsibility. Dumping tasks means you just hand over the keys, wipe your hands of all the responsibility and run as far as you can from the problems.

Though dumping can work for a while, eventually it will start to unravel as no-one cares about your properties like you do. No-one is a mind reader to know exactly what you want out of those properties. While agents have their systems and teams in place, you need to give them guidance and check in to make sure everything is running the way you want it to.

In next month's article, I'll walk through some easy ways to make sure that you are delegating, and not dumping, your responsibilities as a property owner. This will ensure you get the most from your properties ... while still being able to do it from the beach.



Property Go-To Girl

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



SUPERCARGE YOUR PROPERTY BUSINESS!

Stephanie Hale reveals how publishing a book can be the quickest and easiest way to supercharge your property business.

Why?

Because it is a great way to tell other people what you do and how you have done it. And on top of that, it can be a brilliant way to:

- build your brand
- be seen as an acknowledged expert in your chosen field
- add credibility to your social profile
- showcase exactly what you have achieved
- meet JV partners

But plenty of things can get in the way of actually sitting down and writing – there always seems to be something more important. It's easy to put it off, saying things like ...

"I just don't have the time", "I don't know where to start" Or maybe even ... *"A book? Me? I could never do that ..."*

It's easier than you think!

NOW YOU CAN GET YOUR BOOK OUT THERE TOO! GET PUBLISHED AND BE ACKNOWLEDGED AS AN EXPERT IN YOUR FIELD.

Author success stories include:

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- Being featured on TV
- Launching a successful series of seminars
- JV partners queuing up
- Reaching a whole new audience that would never otherwise find you

These can be your success stories too.

With the right support, you could be holding your book in your hand before the end of 2017 – ready to blast your business through the ceiling next year.

You can get started in just a single weekend. Take the first step to publishing your book today!

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Start writing now and set yourself apart from the crowd

Download Stephanie Hale's bestselling book, Millionaire Property Author **FREE** from www.yourpropertynetwork.co.uk/publishing



HOW I BOUGHT 3 LONDON PROPERTIES FOR A FOOTBALL TICKET

By **Laurence Lameche**

The dramatic title will certainly grab your attention, but that seems to be part of Laurence's style. He describes his trials and tribulations in life, from his progress through a tough childhood to setting up a business and then moving onto buying properties in London with no money and no mortgage, through lease options. It's more than a property strategy book – it's also about how to keep going and staying determined until you succeed.

In Chapter One, Laurence describes his upbringing and the financial challenges his mum faced. He struggled in school but from an early age, he had big dreams of becoming successful. By his own admission, he was a dreamer and used his love of football, music and TV as a form of escapism. Inspired by TV programmes, he was interested in making money and his main hobby was collecting memorabilia/antiques that would increase in value.

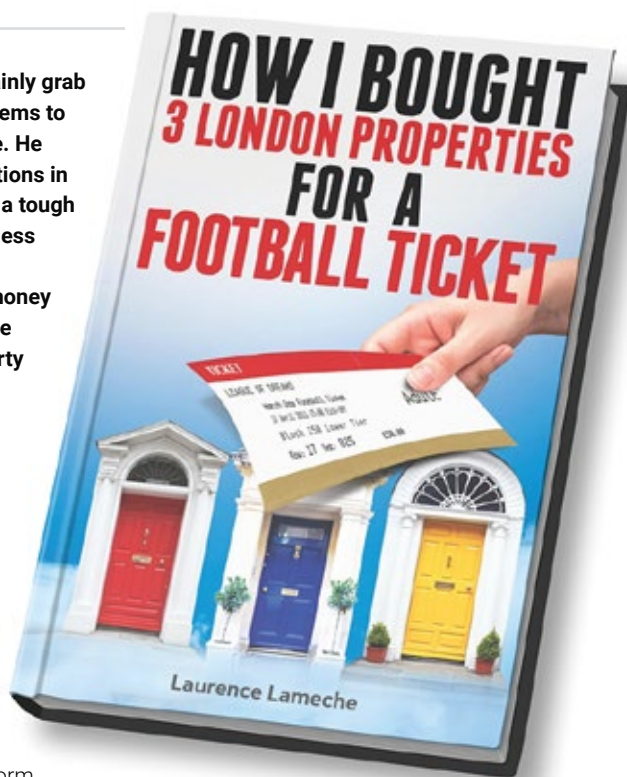
The chapter continues with a section on people he has found inspirational and motivational, eg Richard Branson, Sylvester Stallone, Walt Disney. Laurence comments that **"their stories kept him going"** and kept his dream of success alive.

He moved to London but initially, he was homeless and slept in his car. He applied for lots of jobs but was unable to secure anything as he had no permanent address. Thankfully, he met a kind landlord who rented him a room.

Many forms of employment were just to cover the rent but he also had some jobs which were more people-facing and more rewarding. To overcome his fear of public speaking, he also became a successful and accomplished tour guide.

Chapter Two delves into the world of personal development and Laurence shares how his mum used to sneak him into such conferences, which were run by a company she worked for.

This further inspired him and he continued to read widely after moving to London, often spending hours in Waterstones to read for free. Laurence firmly believes that the power



of thinking and visualisation helped him secure an opportunity to work in the USA and help him learn more about business.

One aim he had was to find a business idea and bring it back to London. He achieved that goal, and after a lot of effort, set up a nightclub business. Marketing, including flyers and standing with a sign outside various stations, helped him to get customers. The business grew successfully and he eventually set up a ticket office and hired staff. Operationally, Laurence faced quite a few challenges with the business and decided to get into property. *"I didn't get a true sense of how the move into property came about."*

The next chapter describes his property journey, which started with him buying a flat to live in whilst he was still running the nightclub business. For the next few years he attended many property courses and through a relationship he had built up with an estate agent, Laurence managed to secure a flat that needed significant renovation.

He was able to add value, refinance more than his initial capital investment and rent it out as an SA unit generating significant profit. To get more deals from motivated sellers, he set up a website,

delivered leaflets and tried other marketing strategies, without being certain how he would do the deals.

He eventually settled on the idea of just babysitting a motivated seller's mortgage, ie a PLO and then renting the property as a SA unit. He is continually stepping outside of his comfort zone and as he says: *"I just keep going no matter how many rejections I encounter."* He provides a handy template to help readers deal with sellers and research property values.

In Chapter Four, he describes how he built up rapport with a struggling landlord, including buying him a ticket to an Arsenal game. He helped sort out tenant issues and was able to do a deal where he now controls three flats on a 15-year PLO. Each of the flats is an SA unit generating significant profits. The chapter concludes with details of another London PLO he has secured for a £1 option fee.

The next chapter is an interview with the author (but I'm not sure who was posing the questions?). In it, he advises readers how to get started in property, including getting educated, effective networking and creating a power team. His key advice: **"Just focus on one strategy at a time."**

In the next section, Laurence covers the power of belief and his own belief that he can get into any event he desires, often for free. He lists the events he has attended. *It's quite an impressive list.*

In the final section, he describes how he has signs which he holds up at the end of events, to enable him to collect many business cards – the aim being to connect with people after the event. *If you're brave enough, it's something you could try!*

WHO IS THIS BOOK FOR?

What comes across loud and clear in this book is Laurence's determination, persistence and hard work despite enduring many challenges. If you are an aspiring property investor and need inspiration that it's possible to acquire properties without large amounts of money and mortgages, this book is a worthwhile read.

Book reviewed by:

Raj Beri

www.rajberi.co.uk

Email: raj@rajberi.co.uk



TIMING THE MARKET THROUGH POSITION TRADING ... USING A REAL LIFE EXAMPLE OF APPLE STOCK (AAPL)

By **Marcus de Maria**

In last month's edition of YPN we discussed the fact that we always go with the trend until the bend at the end, ie we go with the trend until it has changed direction and started a new trend. At that point it was safe to hop on again.

This month we explore another way of timing the market, using Moving Averages combined with Position Trading. We then discuss the pros and cons of each.

In essence, Moving Averages serve to tell us where the trend is over a certain time period, using the average closing price over that particular time frame.

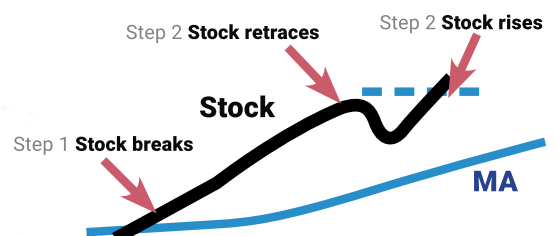
Position Trading is where we enter the trade not once but several times, hoping to build a larger position at a better price over time. One of our earlier strategies, Value Cost Average, where we enter with differing amounts every month without fail, is an example of this. If you missed this strategy, then you can grab a copy of the article immediately by leaving your details at:

www.investment-mastery.com/YPN

Imagine you have been waiting to buy a stock for some time, but the price keeps going up and you don't want to buy in at too high a price. Suddenly the stock price starts turning in the other direction. Patiently you wait for an entry point. This is what happened to Apple (AAPL) below. Remember that when we are looking to take up our first position, we want to see a minimum of -20% drop in the price from the high. This ensures that we never enter at a high point. This is important – please read that last sentence again!

Unlike Value Cost Average, where we would enter immediately after the -20% drop in price and add to our position every month whether the price goes up or down, with the Moving Averages strategy we wait for the price to first turn in our direction before entering. We do this by using the Moving Average lines. We wait until the stock prices breaks above the blue line and retraces, forming a new high or 'Peak'.

- **Step 1:** Wait until the stock breaks above the Peak.
- **Step 2:** The stock retraces, causing what is called a Peak. The new Peak is now our entry point. We never enter immediately, but add some 'fluff' of 1% to ensure it really is going in our direction.
- **Step 3:** If the stock rises above the new Peak price, we enter, as this shows momentum in the right direction, signalling a possible new trend. If it doesn't rise above the Peak, we do **NOT** enter.



This is an example of going long, ie buying. It would be the inverse if we were looking to sell short.

Let us take a look to see what happened to Apple below:

AAPL reached a high of \$705 before it started turning down. We waited for a -20% drop before entering, to ensure we didn't get in near a high. It went below the required \$564 in the month of November. With Value Cost Average, we would have entered at \$564 and then entered every month, irrespective of the price. With the Moving Average strategy, we wait for the price to rise above the Moving Average line, which in this snapshot example, it does in November.



It hits \$590 before retracing down, tries to come back up to break through with momentum. It does break through but there is not enough momentum to get the price above the 1% fluff we have added to the peak price to tempt us to go in. In the months of both January and February, the price goes above the blue Moving Average line again but doesn't form a peak to break through ... so we wait. In March, it breaks and goes to \$461, retraces and then breaks through. We enter at \$465. This is our first position.

Believe it or not, we are actually hoping at this point that it will continue down a bit more to allow us to add to our position.

Hence the name, Position Trading. By doing this, it allows us a better average price before the big move occurs.

At the beginning of May in the example snapshot, it goes above the blue Moving Average line, retraces and allows us to get in at around \$445, giving us our second position. In July it does it a third time, allowing us to get in around \$423, before rising to a high of \$524.

Can you see that each time we get in we are bringing down the average price? To further accentuate this and to ensure we profit from this extremely simple strategy, we add 20% more money to the position every time we get in, as long as the price has fallen. This allows us to get in at a better price **AND** purchase more at a better price. While it is tempting to add more than 20% or even double up, it is not advisable to do so. We don't want to blow all our money in one stock, so adding 20% more to each position is adequate.

A few months later, we were nicely in profit with AAPL price at \$574. A bit later again, we would most probably have taken our profits and moved on to another stock, waiting for it to fall once more before we rotate in again.

Why not take a look to see what happened in reality? Just go to www.freestockcharts.com and look up AAPL.

Summary:

1. Bend at the end (last YPN article): not easy to find exactly until it has happened; but gives more certainty as it avoids getting in too early.
2. Position Trading with Moving Averages (this YPN article): very simple to find and if it is really turning at that point then you are getting in nice and early; but the other side of the coin is that it can get you into the first position too early and the stock continues to fall, causing your average price to remain high, so you need to wait longer for profit.

Until next month

Marcus



In these times it is a **MUST** for you to learn more about what trading and investing in stocks, commodities and precious metals has to offer. We are holding a series of one-day events where we go through the strategies so you can take control of your own finances.

But first, why not go ahead and download your **FREE STRATEGY REPORT**, exclusive for YPN subscribers: www.investment-mastery.com/ypnmagbook

HAPPY 15TH ANNIVERSARY PIN!

By **Simon Zutshi**



This November marks the 15th anniversary of the very first property networking meeting in the UK. We thought we would ask **Simon Zutshi**, founder of pin, to share with us why he started the networking group, why networking has become so popular and some top tips to get the most out of your meeting.

When I first started investing in 1995, I really did not know what I was doing. I had no money but I had just started a job as a graduate trainee at Cadbury's in Birmingham. I could get a 95% first-time-buyer mortgage, and borrowed the required deposit from my grandmother.

I purchased a house to live in myself, and because I did not want to live on my own, rented out two of the rooms to friends who were still studying at university. The rent my friends paid me covered the cost of the mortgage and most of the bills, which meant that I pretty much lived for free. I believe that this is probably still the best way for young people to get onto the property ladder.

It was only a few years later, when I realised just how powerful property investing could be. I was saving most of my salary from Cadbury's and also had a part-time business organising student nightclub events in Birmingham.

I had built up some savings and thought about buying another property. I wanted to move into a slightly bigger house that was also closer to work. Instead of selling my first house to give me the deposit to buy the next one, I decided to keep it to rent out to students from the University of Birmingham. I used my savings to put down as the deposit

for my second house, and again, friends moved in with me.

HOUSES ARE LIKE CASH MACHINES

This is when I had the epiphany that houses are like cash machines. I realised that after collecting the rent each month from my new student tenants and paying the mortgage, insurance and all other costs, there was some profit left over. Money that I did not have to work for and that was not dependent on my time.

The light bulb went on. I speeded up my

"I realised that after collecting the rent each month from my new student tenants and paying the mortgage, insurance and all other costs, there was some profit left over."

property acquisition and by the year 2000, I made more money part-time from my property investing than I did as a senior manager at Cadbury's. In 2001, I took the decision to leave my full-time job and just focus on property and my student nightclub business.

This was fine for two years, but I must admit

it was a very lonely journey. None of my family were property investors and all my friends had jobs. Although I had been successful, I realised that I had learnt the hard way – making lots of mistakes because I was investing on my own. I had no support around me.

I had attended a three-day property seminar in 2002, at which I had learnt about things that I didn't know were even possible. But after that seminar, I was on my own again. I thought there had to be a smarter way to get some support around me.

At the time, I was attending a weekly Birmingham-based breakfast networking meeting. There, I had found all the contacts I needed for my property business, such as a mortgage broker, a solicitor, accountant and letting agent. Yet none of them were investors themselves and so they didn't really understand what I was trying to achieve.

I went online to see if I could find any property-orientated network meetings but there were none in the UK at that time. Realising just how important it is to get support around me and learn from other successful investors, I decided to start up my very own group in Birmingham. I called it the property investors network, or pin for short.

At first, this was just about meeting other investors to share information and contacts. But then people started asking me to share how I had managed to replace my income and allow me to leave my full-time job. I started to give a small presentation each month at the pin meeting explaining what I had done. This was when I realised how much I loved speaking about property.

Particularly when people would thank me a few months later for inspiring them to go and buy a property based on what I taught them.

I got addicted to the good feeling of helping other people. This is why I started to run seminars to teach others how to be more successful investors.

IMPROVE YOUR INVESTING KNOWLEDGE

One of my favourite sayings is: ***"You don't know what you don't know."***

The most successful people I know are always very open-minded. They know they can always learn something from other people to become even more successful themselves.

The great thing about attending a property network meeting is that you can meet a whole load of other investors from whom you can not only be inspired, but also learn from their mistakes. It's easier than making expensive mistakes yourself. It's got to be a smart thing to do.

I have made a fortune by acting on and applying what I have learnt from other people I have met at pin meetings.

For example, in 2005 I learnt from an investor about motivated sellers. Some sellers are so keen to sell their property they would sell at 20% or more below the true market value as long as the sale completes quickly. I learnt how to find these motivated sellers and how to come up with an ethical win-win solution. I then discovered from a mortgage broker how this type of property could be purchased with no money down.

In a very short space of time I could massively increase the size of my portfolio and monthly cash flow, as a direct result of learning from other people at my pin meetings.

SURROUND YOURSELF WITH LIKE-MINDED PEOPLE

I believe one of the biggest benefits to

regularly attending your local pin meeting is to surround yourself with like-minded positive people who can support and encourage you.

Unfortunately, most of society is rather critical and negative. If you say you want to replace your income from property most will call you a dreamer or tell you not to be so risky. But at a pin meeting, you will be encouraged and have help in finding a way to achieve your goal.

BUILD YOUR POWER TEAM

To be a successful investor you need to build a team of professionals around you. Your core team should include a mortgage broker, solicitor and property tax accountant as a minimum. You can go on to include letting agents, estate agents, builders, architects, surveyors and planning consultants.

"Finding good people to work with can be a case of trial and error, but it does not have to be that way"

Ask around at your local pin meeting and you should be able to get personal recommendations for reliable professionals to support you.

HOW TO GET THE MOST OUT OF A NETWORK MEETING

Before you go to your local property networking meeting, make sure you get some business cards printed with your contact details and a photo so that people will remember you.

Set your intention about what you want to achieve from attending the meeting. Plan to arrive early and leave late to make the most of the opportunity to meet as many new people as possible. This is important as often people will only talk to those they already know, but I would encourage you to push your comfort zone and speak to as

many new people as you can. You never know who you might meet and how you could help each other.

And finally, after the meeting, you need to follow up with people who you met at the meeting. Send them a text, email or give them a call. Have a long chat to see how you can help each other. Maybe even meet up for a coffee if you think there is a potential for mutual benefit. You can achieve far more by working with other people than you will on your own. One word of caution here, you always need to get to know people and do your own due diligence before you work with them or enter into any joint venture agreement.

CELEBRATE YOUR SUCCESS

Investing in property does take some time and effort. Sometimes things do go wrong in property, and you have to deal with problems and issues. It can be difficult and stressful, and sometimes you may wonder why you are investing in property. That's why it is important to celebrate your wins and try to enjoy the journey as much as possible.

At the end of the year in November, we always host a big party in Birmingham. It's a formal black tie dinner with up to 800 investors from all over the UK. It's a chance to connect with many of the speakers and experts who speak at the local pin meetings, and we always see a table of representatives from YPN magazine who enjoy a good party.

This year the formal meal is on Saturday 24th November and we are celebrating 15 years of pin. At the time of writing this article, there were just a few tickets left. If you want to come and join the party, you can book your tickets here: www.pinannualdinner.co.uk

Invest with knowledge, invest with skill.

Best wishes,

Simon Zutshi



- Founder of property investors network
- Author of Property Magic



NOVEMBER NETWORKING

There are no pin meetings in December because everyone is too busy doing festive things. This month is your last chance to get a boost of property positivity from your local pin meeting before the new year. There are over 50 pin meetings all over the UK so there is bound to be one close to where you live or work. You can reserve your seat at your local meeting in November now at: www.pinmeeting.co.uk

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

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NICEIC	National Inspection Council for Electrical Installation Contracting	RTO	Rent to Own	SA	Serviced Accommodation
NLA	National Landlords Association	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)	SAP	Standard assessment procedure
OIEO	Offers in excess of			SARB	Sale and Rent Back
OMV	Open market value			SDLT	Stamp Duty Land Tax
ONS	Office for National Statistics			SI (assessment)	Sophisticated Investor (Source: FCA)
PBSA	Purpose-built student accommodation				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.
PCOL	Possession claim online				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:
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.	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.		(a) Member of a syndicate of business angels for at least six months;
PI insurance	Professional Indemnity insurance				(b) More than one investment in an unlisted company within the previous two years;
PLO	Purchase lease option	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.		(c) Working in professional capacity in private equity sector or provision of finance for SMEs;
PM	Project manager				(d) Director of a company with annual turnover of at least £1m within the previous two years.
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)	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'.	SIP(s)	Structural integrated panels
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)	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:	SME	Small and Medium-sized Enterprises
			1. Prescribe the nature of development	SPT	Statutory periodic tenancy
PRS	Private Rented Sector		2. Compensate for loss or damage created by a development	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.
R2R	Rent-to-rent		3. Mitigate the impact of a development	SSTC	Sold Subject To Contract
REIT	Real Estate Investment Trust			TPO	The Property Ombudsman
RGI	Rent guarantee insurance			UKALA	The UK Association of Letting Agents
RICS	Royal Institute of Chartered Surveyors			USP	Unique selling point
RLA	Residential Landlords Association			VOA	Valuation Office Agency
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				

(Source: [planningportal.co.uk](https://www.planningportal.co.uk))



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 Ikhninwin

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 07/11/2018

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 13/11/2018

Leo Nova South, 160 Victoria Street

Westminster London, SW1E 5LB.

Host: Pippa Mitchell

progressivepropertynetwork.co.uk/knightsbridge

PPN Mayfair 22/11/2018

The Washington Mayfair, 5 Curzon St,

Mayfair, London W1J 5HE

Host: David Seigler

progressivepropertynetwork.co.uk/mayfair

PPN Blackfriars 12/11/2018

Crown Plaza, 19 New Bridge St, London,

EC4V 6DB **Host:** Kevin McDonnell

progressivepropertynetwork.co.uk/mayfair

PPN Canary Wharf 14/11/2018

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 Environment 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

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

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

Kensington & Chelsea Property Network 1st Thursday of the Month

The Trafalgar in Chelsea, 200 Kings Road,

London, SW3 5XP **Host:** Nicola Ancona

www.meetup.com/Kensington

ChelseaPropertyNetwork

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/CentralLondon

PropertyNetwork

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

Baker Street Property Meet

Last Wednesday of every Month

Holiday Inn London, Regents Park,

Carburton Street, London, W1W 5EE

Host: Ranjan Bhattacharya

www.BakerStreetPropertyMeet.com

Sutton Property Meetup

2nd Monday of the Month

The Ivory Lounge, 33-35 High Street, Sut-

ton, Surrey, SM1 1DJ

Hosts: Johanna and Peter Lawrence

www.meetup.com/Sutton-Property-Meetup

London Property Talk (BMV Meet)

1st Monday of the month

Hilton London Docklands, 265

Rotherhithe Street, London, SE16 5HW

Host: Owais Naveed

<http://ukpropertymeet.co.uk>

London Property Investor Breakfast

4th Tuesday of the month (7.30am -

9.30am) Doubletree by Hilton, 92

Southampton Row, Holborn, London,

WC1B 4BH **Host:** Fraser Macdonald

www.meetup.com/londonpropertybreakfast

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

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-](https://www.meetup.com/The-Kensington-Chelsea-Property-Group/)

[Kensington-Chelsea-Property-Group/](https://www.meetup.com/The-Kensington-Chelsea-Property-Group/)

Premier Property Meet

2nd Thursday of every month from

6.30pm The King's Head Pub, 1 The

Green, Winchmore Hill, London,

N21 1BB **Hosts:** Deborah Tyfield and

Dr Martand Patel Tickets: £20 online, £25



on the door. Tickets includes canapés

www.premierpropertymeet.co.uk

Property Leverage Network City of

London 4th Monday of every month

Dawson House, 5 Jewry Street, London,

EC3N 2EX **Hosts:** Felix Cartwright & Phil

Ash (07856202658)

www.propertyleverage.co.uk

Property Leverage - Southbank London

3rd Monday of the month Mulberry Bush,

89 Upper Ground, Southbank, London,

SE1 9PP **Hosts:** Felix Cartwright & Phil

Ash (07856202658)

www.propertyleverage.co.uk

Wandsworth Property Group

3rd Tuesday of the Month

The Alma, 499 Old York Road,

Wandsworth, London, SW18 1TF

Host: Brendan Quinn www.meetup.com/Wandsworth-Property-Group

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

Square Mile Property Meet

First Tuesday of the month

Balls Brothers, Adam's Court, 6 Old Broad

Street, London EC2N 1DX

Hosts: Aaron Kok & Charlotte Cheong

[https://facebook.com/SquareMile](https://facebook.com/SquareMilePropMeet/)

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

www.croydonpropertymeet.com

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 12/11/2018

Best Western Ipswich Hotel, Old London Road, Copdock, Ipswich, IP8 3JD

Host: Halstead Ottley

progressivepropertynetwork.co.uk/ipswich

PPN Peterborough 19/11/2018

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

3rd Thursday of the month

The Talbot, High Street, Ripley, Surrey, GU23 6BB **Host:** Anne Woodward

www.wokingpin.co.uk

Oxford pin 1st Thursday of the month

Jurys Inn, Godstow Rd, Oxford, OX2 8AL **Host:** Gillie Barlow & Jacquie Edwards

www.oxfordpin.co.uk

PPN Brooklands 20/11/2018

Mercedes-Benz World, Brooklands Drive, Weybridge, KT13 0SL

Host: Lee Dumbarton

progressivepropertynetwork.co.uk/brooklands

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

Reading pin

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



Hampshire Property Network (HPN)

2nd Wednesday of the Month

The Navigators Inn, Lower Swanwick. Hampshire. SO31 7EB, 7:15

Hosts: Mark Smith & Allan Wadsworth

www.hampshirepropertynetwork.co.uk

We Buy Houses - Southampton

3rd Wednesday of the month

Host: Stephen Davies and Giselle Robinson. Register at <http://webuyhouses.co.uk/rick-otton-meetups>

Premier Property Club - Brighton

1st Thursday of the Month

Jurys Inn Brighton, Waterfront King's Road, Brighton, BN1 2GS

www.premierpropertyclub.co.uk/brighton

Eastbourne Wealth Investing

Network 4th Wednesday of every month

The View Hotel, Grand Parade Eastbourne BN21 4DN

Host: Jonas Elsen-Carter

Eastbourne WIN

3rd Monday of the month

Polegate Community Centre, 54 Windsor Way, Polegate, East Sussex, BN26 6QF

Host: Jonas Elson-Carter

www.wealthinvestingnetwork.com/eastbourne

Mid Surrey Wealth Investing

Network 2nd Wednesday of every month

Station Pub, Stoneleigh, Epsom, KT17 2JA **Host:** June Cruden

Guildford Wealth Investing Network

1st Wednesday of every month

Old Thorns Manor Hotel, Golf & Country Estate, Liphook, GU30 7PE

Hosts: Wendy Alexander & Adrian

Brown

Southampton Property Hub Meet Up

1st Thursday of every month

The Maritimo Lounge 1 Moresby Tower Admirals Quay, Ocean Way, Southampton SO14 3LG

Host: Sarah Smith

<https://www.facebook.com/propertyhubsouthampton/?fref=ts>

Thanet Property Network Second

Wednesday of the the month - 7pm - 9pm

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

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

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

20/11/2018 The Ocean Beach Hotel & Spa, East Overcliffe Drive Bournemouth BH1 3AQ.

Host: Leigh Ashbee progressivepropertynetwork.co.uk/bournemouth

PPN Swindon 13/11/2018

Holiday Inn Swindon, Marlborough Road, Swindon, SN3 6AQ **Hosts:** Nick Chawala, Allan Harding and Aratri 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 Exmouth Arms, GL53 7LX. **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 **Hosts:** Andy Gwynn and Mary Collin www.birminghampin.co.uk

Black Country pin 4th Wednesday of the month

Village Hotel Dudley, Castlegate Drive, Dudley, West Midlands, DY1 4TB **Host:** Phillip Hunnabell www.blackcountrypin.co.uk

Coventry and Warwickshire pin

2nd Tuesday of the month Village Coventry, Dolomite Avenue, Coventry Business Park, Coventry, CV4 9GZ **Host:** Sebastian 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 14/11/2018

The Chairmans Lounge, Edgbaston Cricket Ground, Edgbaston Stadium, Edgbaston Road, Birmingham, B5 7QU **Host:** Kirsty Darkins progressivepropertynetwork.co.uk/birmingham

PPN Wolverhampton 06/11/2018

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
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
2nd Thursday of the month
The Mecure, A41 Watford Bypass,
Watford, Hertfordshire WD25 8JH
Hosts: Waseem Herwiter and
Shack Baker.
www.watfordpin.co.uk

ZONE 7

Liverpool pin
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 22/11/2018
Best Western Plus, Pinewood on Wilms-
low, Wilmslow Road, Cheshire SK9 3LF
Host: Mike Chadwick
progressivepropertynetwork.co.uk/wilmslow

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 13/11/2018
Nelsons Solicitors, Sterne House,
Lodge Lane, Derby, DE1 3WD
Hosts: Mike Alder & Jamie Hayter
progressivepropertynetwork.co.uk/derby
PPN Northampton 20/11/2018
Hilton Hotel, 100 Watling Lane,
Collingtree, Northampton, NN4 0XW
Host: Kim Hendle
progressivepropertynetwork.co.uk/northampton

PPN Leicester 12/11/2018
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, Steeveage
Road, Knebworth Park, SG1 2AX
Hosts: Stephen & Bridget Cox

PPN Blackpool 26/11/2018
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 Vil-
lage, 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

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

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

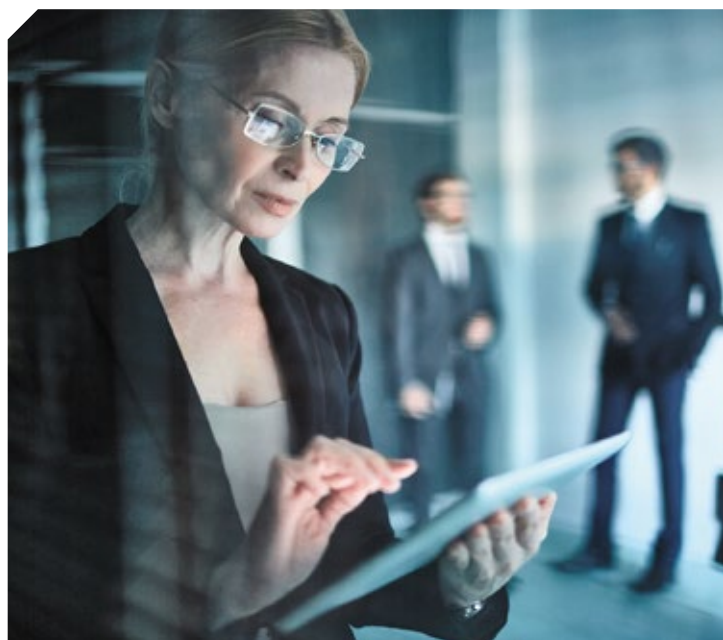
The Property Connect
First Weds or Thurs of every month
(alternate) 1900-2100
The Sharnbrook Hotel, Park Lane,
Sharnbrook, MK44 1LX
Hosts: Peter Hogan, Tiruven Pillay
<https://www.facebook.com/thepropertyconnect/>

Midland Property Forum
3rd Thursday of the month
The Oldmoor Lodge, Mornington
Crescent, Nottingham. NG16 1QE
Hosts: Kal Kandola, Hannah Hally,
Kelly Hally, James Howard-Dobson,
Steve Harrison
<https://www.facebook.com/MidlandsPropertyForum>

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 and Lisa Ryder

Milton Keynes JD Wetherspoons,
MK9 1EA. **Host:** Jason Smith



We Buy Houses - Manchester
3rd Thursday of the month
New host: Bruce Lamb
Register at <http://webuyhouses.co.uk/rick-otton-meetups>

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

Property Leverage Network
Manchester 1st Tuesday of every month
Chill Factore, 7 Trafford Way
Urmston, M41 7JA **Hosts:** Andrew
Wilcock & Gary Collins
<http://propertyleverage.co.uk/manchester>

Warrington Property Investors' Meet Up
Last Tuesday of the month from 7pm-9pm
Olympic Park, Unit 7 Olympic Way,
1st Floor, Birchwood, Warrington,
Cheshire, WA2 0YL (free parking)
Hosts: Patricia Li and Michael Hopewell
www.meetup.com/Warrington-Property-Investors-Meetup/

THE PROPERTY HUB
1st Thursday of the Month
<http://thepropertyhub.net/meetups>
Liverpool The Brewery Tap, L8 5XJ
Host: Tony Woods
Manchester The Kaz Bar at Tiger Tiger,
M4 2BS **Host:** Mark Morris



YPN Strongly recommend that you attend your local property networking events. However, the events listed are not staged by Your Property Network Ltd. Please check venue and dates on the relevant website before travelling to the event.

ZONE 8

Hull pin 2nd Thursday of the month

Mercure Hull Royal Hotel, 170 Ferensway, Hull, East Yorkshire, HU1 3UF **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

(Formerly Newcastle pin)
4th Thursday of the month
Lumley Castle, Ropery Lane, Chester le Street, County Durham, DH3 4NX
Host: John Woolley
www.newcastlepin.co.uk

Harrogate pin

1st Wednesday of the month
Cedar Court Hotel, Park Parade, off Knaresborough Road, Harrogate, HG1 5AH **Hosts:** David and Jenny Fisher
www.harrogatepin.co.uk

York pin 3rd Wednesday of the month

Hilton York, 1 Tower St, York, YO1 9WD
Hosts: Michael Chamberlain & Fabio Santos www.yorkpin.co.uk

Sheffield pin

2nd Wednesday of the month
Mercure Sheffield Parkway Hotel (previously known as Aston Hotel) Britannia Way, Sheffield, South Yorkshire S9 1XU **Hosts:** Paul Hastings and Stuart Cooper
www.sheffieldpin.co.uk

PPN Sheffield 27/11/2018

Mercure Hotel, Britannia way, Catcliffe, Rotherham, Yorkshire, S60 5BD
Host: Kevin McDonnell
progressivepropertynetwork.co.uk/sheffield

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

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 26/11/2018

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 Draml, 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 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,

Brunkbergstorg 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

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