

Issue 126 December 2018

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MERRY CHRISTMAS!

It's time to party! The festive season is approaching fast, but as well as celebrating with friends and family, it's a good time to sit back and reflect on what has happened over the past year. It's only by acknowledging what we have achieved, being thankful for our successes and learning from what might not have gone so well that we can adjust course where necessary and move forward with renewed confidence.

This month, some of our readers share with you how they have fared during 2018. Some are part-time, some are full-time, some may be all-the-time, but they've all had some impressive results from their property investing. We hope their stories will inspire you as you plan for the next 12 months.

As I write, news of the Brexit deal has just been released and I'm keeping one eye on developments as we finalise this issue for print. There's no denying that trying to make plans at a time of such monumental political events is challenging. None of us has a crystal ball so cannot know what the outcomes will be on the financial or property markets, despite the predictions that appear in the national press. To remain on an even keel in property, therefore, it's important to understand the underlying economics of the market. Chris Worthington gives some insights into housing policy in his article this month, a reminder that sound research rather than hearsay should play a big part in your investing over the next few months.

Despite the Brexit turmoil, we hope you have a great festive season. A very happy Christmas from all of us at YPN!

Jayne Owen

EDITOR

FEATURES

- 5 2018: A year in review**
Investors share their successes and challenges from the past 12 months
- 25 Rant**
- 27 Your Property Project – Former post office and store to HMO**
How learning on the job led to success despite planning challenges
- 33 In sickness and in health**
Former YPN columnist **Paul Merrick** reveals the implications of one tiny event and how it led to a major life change

BEGINNERS

- 37 Investor profile: Brothers in arms**
- 40 Richard Brown's Horror stories**
- 43 10 Agents in 1 hour**
How **Chris Peel** made close to the average UK annual salary from just 1 hour's work

DEVELOPMENT & REFURB

- 47 Introduction to extensions**
- 50 Could modular housing solve the housing crisis?**

INVESTING

- 53 Investing abroad: USA**
- 58 Market analysis**
- 61 When should you extend your lease?**
- 62 Your HMO Q&A**
- 64 The 5 key characteristics of a deal sourcer**

FINANCE

- 66 Mortgage market review**

LANDLORD

- 69 Legislation update**
- 73 The "demise" of Section 21**
- 75 Do I need to raise the standard of my HMO?**
- 78 Boiler efficiency**
- 79 Avoid tenant punch ups!**
- 81 How to manage your passive income, part 2**

EDUCATION

- 85 Raj Beri's book review**

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STOP PRESS

There are tax implications for property investors from the budget. Tax specialist and regular columnist Stephen Fay will outline the impact for you and your business in the January edition.

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2018

THE YEAR IN REVIEW

I don't know about you, but it seems to me that this year has gone in a flash. It only feels like yesterday that I was setting out my plans for 2018.

As many business sectors quieten down over the Christmas period, this can be a time of year for reflection, an opportunity to assess whether you have achieved what you intended in property over the past 12 months.

Some people adhere strictly to following through on their goals, while others will respond to an opportunity or life event that can take them off into different, but no less rewarding, circumstances. Yet others can get completely distracted by something that pulls them off course. And then we must take into account the occasions where life gets in the way ... the best laid plans of mice and men and all that.

So, to tender a well-used question, how was it for you? Are you on track with your plan? Here's the thing – if you rocked your goals and went way beyond, then great! Congratulations! But if you didn't, it really doesn't matter. We don't all have the same resources to make the same level of progress in the same time frame. Even if things went pear-shaped, learn from the challenges, reset your bearings and put your best foot forward for the next 12 months.

In this 2018 retrospective feature, we speak to some investors who have had a very busy year with a mix of property experiences.

Although **Phil Worrall** and **Sam Ferrington** have had a phenomenal first year in their new business, they explain why they are both happy to keep property as a part-time rather than a full-time activity.

Jonathan Ioannou has moved forward at a rapid pace with HMOs in 2018 after finishing a property education programme, so much so that he's about to take six months off to go travelling next year.

Murat Haykir, on the other hand, has extended beyond his two property businesses to run a podcast and launch a book with one of his business partners.

The YPN team has had a fantastic time speaking to and being inspired by these outstanding investors and what they have achieved. It just goes to show what any of us can do when we set our minds to it. We hope you enjoy reading this feature and are able to take some ideas to apply to your own plans for 2019. Regardless of strategy, the key is in getting out there and doing it ... and then keep on doing it!

Have a great Christmas season and we'll be back with more inspiration for you in 2019!

Jayne



12 MONTHS. 4 PROPERTIES. £113K PROFIT.

Interview & words by **Heidi Moment**

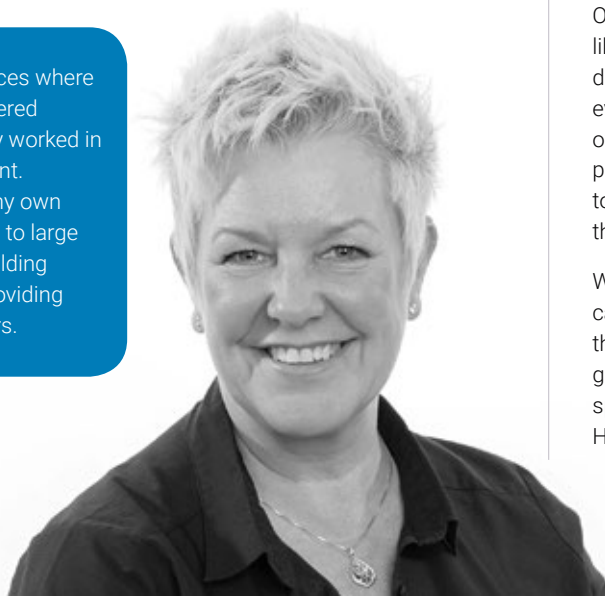
Phil Worrall and Sam Ferrington have had a great first year with their new property business, Melrose Place Ltd, at the same time as running their own successful non-property businesses, enjoying family life and spending all of August either on holiday or playing golf. They've got the balance just right and we enjoyed meeting up with them to find out all about it.

BACKGROUND



Phil: I come from a corporate background, graduating from university as an engineer with a passion for manufacturing. After spending 25 years working my way through different organisations, I ultimately became the managing director at a large aerospace manufacturing company with responsibility for many millions of sales and several hundreds of people.

Sam: My background is in financial services where I've worked for over 30 years. I'm a chartered financial planner and have predominantly worked in training, compliance and risk management. For the past 18 years I've been running my own business, providing consultancy services to large firms of financial advisors, banks and building societies. I also run another business, providing paraplanning support to financial advisors.



INVESTING IN OUR EDUCATION

We both got into property with the aim of creating passive income. We started separately investing in our property education in 2014 by engaging with mentors, attending training courses and going to pin meetings.

We strongly believe that knowledge is an important part of this journey, and view the thousands of pounds we have individually spent on our property education as a great investment; setting us up for the future and giving us the right tools to understand what we are doing and help us to minimise risks.

Although we'd bumped into each other before, we met properly on the Progressive Property VIP Programme in 2014. We live quite near each other in Leeds, so we used to travel to the meetings together and over the course of those journeys got to know each other really well.

At first, we both worked on building our own portfolios of single lets, HMOs and flips. Then we had the opportunity to do a flip together and the rest, as they say, is history.

NOT THE U.S. TV SHOW

For the past 15 months we've predominantly worked together, and in 2017 we set up Melrose Place Ltd, named after the first property we bought together, not the U.S. TV drama. The plan was to flip this one property but it went so well that we wanted to do more. Now at the end of the first year, we've bought and sold three properties, bought a buy to let and are now on to the fifth.

WHY FLIPS?

Our strategy is flipping property. We'd like to say that we planned it this way from day one, but in fact it was a strategy that evolved over time due to the type of properties that we kept finding – properties in really nice locations that were too expensive to hold and rent out so flipping them made the most business sense.

We like flipping because it creates chunks of cash. For now, our plan is to reinvest most of this cash back into the business and to keep growing, though at some stage we will take spare cash out of the business to develop HMOs and generate passive income.

"We love tired and dilapidated properties"

We're both voracious networkers, and as a result the majority of our deals come through word of mouth recommendations from our extensive networks. Our favourite properties are very tired and unloved houses that nobody else is interested in.

We buy them and work our magic, adding value and then selling them for a profit.

We're aware of the target market for each property and we ensure we refurbish our properties with the right demographic in mind. Then we market them in the right place, using trusted local estate agents or auctioneers to help us.

We're always conscious of what the end values are going to be, and we're conservative with our numbers to make sure there's enough profit in each deal.

Generally, these are our rules:

- **Generates a minimum £20,000 profit**
- **Delivers a minimum 25% return on investment of our cash in the deal**
- **Locality – the closer the better, but always under an hour from where we live**
- **Have multiple exit strategies.**

A project is easier to manage when it's closer to home. Whether we're managing the project ourselves, or we're supervising project managers, to be able to get there quickly and frequently is always useful.

CASE STUDY MELROSE PLACE

The Property

A traditional 1930s three-bed semi in Horsforth - a desirable suburb in Leeds with good demand for family homes.

A once-loved family home that was in an appalling state. We were told that Dad had died about 20 years ago and Mum had continued to live there with her son who needed a lot of care. Mum eventually had to move into a care home leaving the son at home alone. Unfortunately, he wasn't living very successfully and ended up going into care himself. Throughout this time, the house and gardens had fallen into disrepair. It was a very sad situation.

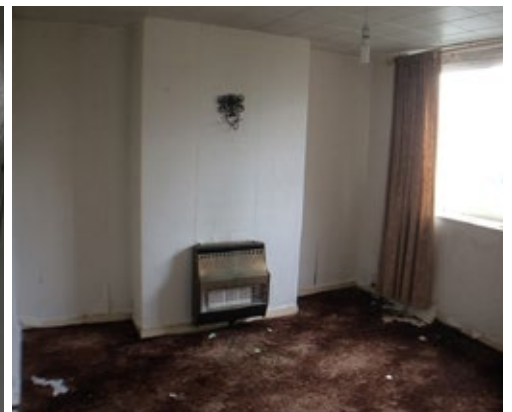
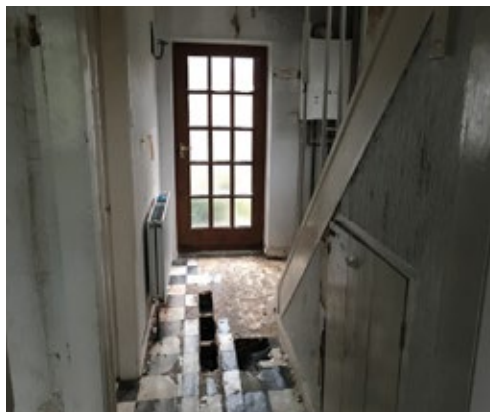
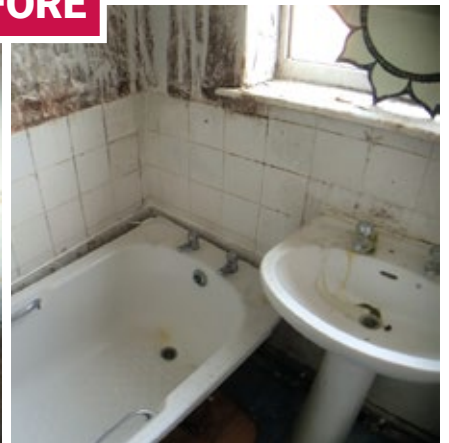
The house was very water damaged and it was clear there had been a lot of leaks. Floorboards and joists were missing and walls just crumbled away when you touched them. We even fell through one of the floorboards and then through the stairs when viewing the property!



BEFORE

The Purchase

The purchase was pretty straightforward. Our contact introduced us to the people who were selling the property and we simply asked them how much they wanted for it. Knowing the family's story, it was important to us not to take advantage of their situation, so we did our analysis and offered them the asking price. They were really pleased.



Surprise surprise

The garden hadn't been touched for 20 years and was like a jungle. It was impossible to see what size it actually was. The day we completed on it, we got the gardener in to cut it back, and he rang and said: *"We just keep going further and further back."* There was a leylandii hedge that encroached about 15 feet into the garden. The neighbour told us there was a shed in there somewhere and, even though we looked for it, we couldn't see one. But once the leylandii was cut back, there it was – a 10-foot square shed in this enormous garden. We couldn't believe it had been hidden by all the greenery.

The intention was always to make this into a family-friendly garden, so it was essential to erect a good fence, as there was a sheer 30-foot drop on the other side of the existing low walls. We had a good general contractor, who had a landscaper working for him, and together they really helped us to create an amazing space.

Although we generally plan and budget well, we knew straight away we'd have to dip into our contingency fund for the fencing and some additional landscaping. These additional works cost about £2,500 more than we'd originally budgeted for but were well within our contingency fund. And the result was amazing. It was money well spent as this gorgeous garden made it more appealing to families as well as adding even more value on to the property.

The Refurb

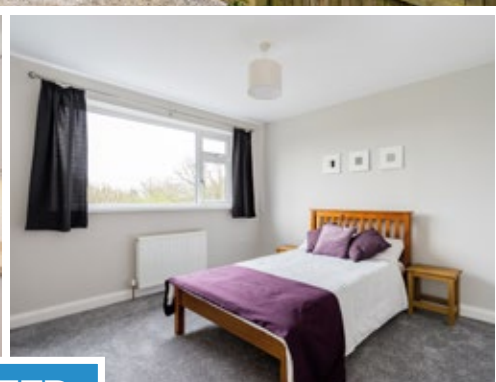
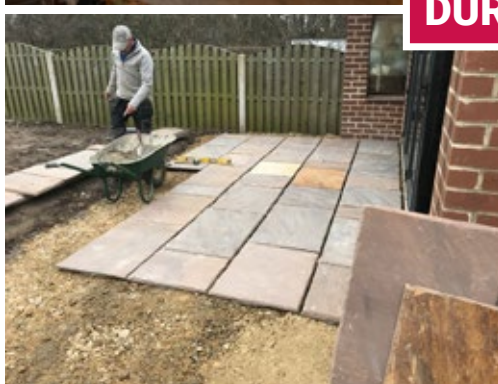
Given the damage, the refurb was extensive. It's more a case of what didn't we do ...

WORKS:

- Woodworm treatment
- Ripped out and replaced joists, floors, walls and ceilings
- Removed the chimney breast in the back rooms
- Re-built the bay window at the front
- Replaced all gutters, soffits, fascias & downpipes
- Repaired the roof and chimneys
- Installed new windows and doors (internal and external)
- Added an extension on the back with bifold doors
- Reconfigured downstairs to include a utility room and WC
- New kitchen & bathroom
- Decorated and installed flooring throughout
- Cleared the front and rear gardens
- Landscaped the rear garden and added a patio and new fencing.



DURING



AFTER



The Numbers

Purchase Price:	£105,500
Refurb:	£78,474
Fees, stamp duty, bills, interest to lenders and all other costs:	£25,060
Total costs:	£209,034
Sale Price:	£282,500
Profit:	£73,466 before tax

Timings

Nine months from completion of the purchase to completion of the sale.

Key learnings

The project went relatively smoothly but there's always learnings:

- Local property - about 10 minutes away from where we live
- Use a trusted estate agent and understand the end-value of the developed property before you buy
- Use a good team of tradespeople
- Have a detailed spec, so everybody is clear on what they're doing
- Build in a good-sized contingency fund to deal with things that inevitably pop up
- Add on time for a winter refurbishment. We had the Beast from the East blowing its way through Leeds when we were doing this, and it just slowed everything down.

"Networking brings us great deals"



PART-TIME IN PROPERTY WORKS FOR US

We both run our own businesses alongside Melrose Place Ltd, and this works for us for a number of reasons.

Phil: In 2014, I had the opportunity to take a 12-month sabbatical from work. However, the thought of leaving a managing director's six-figure salary, with all the perks and perceived security that went with it was, frankly, a bit daunting, but I set off to see what could be achieved.

The year flew by and I made a lot of progress. Being able to focus on property full-time was great and it definitely made a difference compared to when I'd been trying to do it alongside a full-time job. During that year I got educated, met some awesome people, bought a bunch of houses, tried different strategies, made some great investments, plus a few mistakes, and learned a lot.

One observation I made during this time was, it's easy to get carried away when everyone on social media or at networking meetings is talking about "smashing this" and "acing that." Although I don't think there's anything wrong with this, and I know there are certainly people out there who've done amazing things over short periods of time, my experience is that replacing a six-figure salary in 12 months is a massive task.

Towards the end of the year, I found that I loved property and the passive income it gave me, but I also realised that I actually missed manufacturing and some of the perks. It was then I made the conscious decision to do both, and I set up a consultancy business. I now spend a chunk of time working on property, and part-time working as a consultant in manufacturing. It's a really nice balance for me and having multiple streams of income definitely helps.

Sam: I also continue to run my own businesses alongside our property business. There was a time when I thought about stopping them to concentrate on property, but my mentor at the time, Simon Grace, recommended not to. Fundamentally, my other businesses provide me with a very good income, and when you're looking at getting any kind of finance it's always good to be able to show that you've got a regular income. Plus I really enjoy the work and it's nice to do something completely different, with the added benefit of having extensive networks that introduce me to great deals.

"Property can be very lonely, so running other businesses at the same time allows us to maintain some normality too"



A PARTNERSHIP BASED ON ETHICS, TRUST AND SIMILARITIES

We work really well together. We have the same values and ethics, and we like to deal with people in the same way. We have complementary skills and we pick up things the other doesn't like doing. Plus we trust each other with everything, which is essential when you're in business with somebody.

Property can be an emotional game, particularly with the sums of money involved, and you just need a refurb to go a bit wrong or a purchase to become challenging, and stress levels rise. Having somebody who you trust and can be open with is super important.

GREAT RELATIONSHIPS

It's important to surround yourself with people who do a good job too. We've tried many different tradespeople and service providers over the years, and we've managed to build up quite a nice team now.

We've got a new team of builders that we used on Melrose Place and they were

fantastic. They took a lot of pressure off us from the project management perspective so we're definitely going to use them again. Our local estate agent knows the area really well and gives us fantastic advice on how to configure a property to appeal to the market we're aiming at. And we've got a great relationship with our local auctioneers too. Our solicitor is great. She helps us to complete purchases and sales in a timely manner and always keeps us fully informed, which we appreciate.

Through our various networks we also know a couple of great architects and we have lots of contacts with the different trades. Plus, we work very closely with our bridging company and their local rep really does bend over backwards to help us.

Building relationships takes time, and you have to try out plenty of people, but when you find the right people you tend to stick with them.

"Getting the right team can take time and you have to kiss a lot of frogs"

November 2017

Completed on
Melrose Place.

January 2018

Melrose Place: Finishing the rip
out doing the first fix works.

High Street: Marketing ready
for auction.

March 2018

Melrose Place: Second fix and
landscaping. Agreed purchase of
Austhorpe Drive, a probate property
that needed full refurbishment.

May 2018

Dawlish Avenue: Completed,
cleared property and got
refurb quotes from builders.

December 2017

Completed on and
cleared **High Street.**

February 2018

High Street: Sold at auction.
Melrose Place: Started work on the
extension and continued with first and
second fix. Had offer accepted for
Dawlish Avenue, a BTL project.

April 2018

Melrose Place:
Decoration, carpets and
put on market for sale.

A FIXED RATE OF RETURN

We use our own money to fund projects and we also work with people who are interested in property but don't have the skills, knowledge or time to get involved on their own. They lend us money and we offer them a fixed rate of return. It's a win-win scenario – they get a better return on their money than in the bank or building society and we borrow funds for less than bridging would cost. If we need any funds over and above all of this then we get bridging finance.

“Projects take
approximately
nine months from
beginning to end”

We don't have a set loan structure, as it depends on what the partner is looking for and also what can be done with the project. As a general rule of thumb, we anticipate turning the property around in six months, then we add on three or four months for it to sell and the buyer to get their mortgage in place. So, we're looking at around nine months from beginning to end. We like to manage people's expectations though and we generally agree to borrow funds for up to 18 months. This gives us some leeway if things run over a little and doesn't push us into a 'fire-sale' position with any of the properties.

We have some partners who lend us money, and get paid back at the end of the project, plus interest, and we have others who prefer to be paid monthly interest. We're happy to work both ways.

CASE STUDY HIGH STREET, BRIGHOUSE

The Property

A beautiful five-bedroom Victorian terraced house, built from Yorkshire stone. Located in Brighouse, about an hour away from where we live. Found by word of mouth, again.

A lovely house that was very run down. Owned by a divorced couple who had rented it out to a friend, who turned out to be a hoarder and wasn't interested in looking after the property at all. It was in a fairly dismal state. The whole top floor and cellar were packed full of bin bags and there were several broken freezers full of rotting food. Outside there was a waterfall coming out from an overflow and there were even ferns growing out of the windowsill.

The couple had decided to sell as they wanted to move on with their lives, but selling on the open market wasn't an option because the guide price given by the local estate agent meant that they would be in negative equity.

So they told us what they needed to pay the mortgage back. We looked at the numbers, and although this was higher than the guide price from the estate agent, we agreed we would pay it as we could see that there was still potential to make a profit. They were delighted especially as we could move quickly and get them out before Christmas, which was important to them.

The Strategy

We had several potential exits:

1. Refurbish it into an HMO and rent it out
2. Refurbish it into a family home and sell
3. Clear it out, do minimal work and sell it at auction.

After considering each option we decided to go with option three, simply because of the distance from our homes. It was an hour's drive away, which would have been challenging for us to manage.



July 2018

Austhorpe Drive: Cleared garden.
Dawlish Avenue: Started refurb work, adding dormer and third bedroom.

September 2018

Austhorpe Drive: Marketed.
Dawlish Avenue: Finished refurb.

November 2018

Next Project: Commissioned architect to design extension of project and got builders' quotes. Looking for other projects.

June 2018

Melrose Place: Accepted an offer.
Austhorpe Drive: Completed, cleared house and commissioned plans for extensions and got refurb quotes from builders.

August 2018

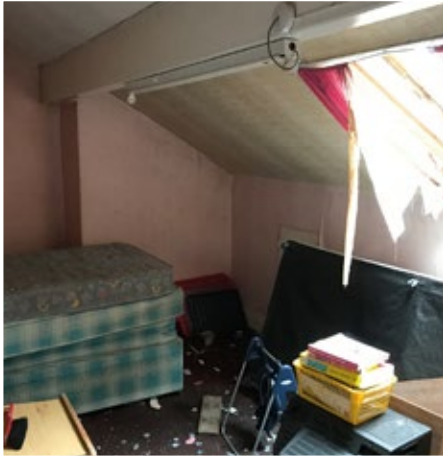
Phil went on holiday. Sam played a lot of golf **Austhorpe Drive:** Made decision to sell at auction rather than build it out.
Melrose Place: Completed sale.
Dawlish Avenue: Continued refurbishment.

October 2018

Dawlish Avenue: Tenants moved in.
Austhorpe Drive: Sold at auction.
Next Project: Had offer accepted for new buy to sell project local to where we live.

December 2018

Next Project: Getting ready to start this project as soon as we complete (expected to be Jan). Looking for other projects.



BEFORE



“Having multiple exits is essential”

Works

- Clear the property of all rubbish (14 large van loads)
- Rip out the kitchen and bathroom
- Repair leaking pipes
- Sterilise and fumigate the areas where the rotting food had leaked over the floor.

The Numbers

Purchase Price: **£88,000**

Clearing out & fixing leaks: **£2,000**

Other fees, stamp duty, bills, interest to lenders and all other costs: **£9,353**

Total costs: **£99,353**

Sale price: **£120,000**

Profit: **£20,647 before tax**

Timings

It took just over two months. We completed the purchase in December and it sold mid-February.

Why auction?

We decided to sell it at auction, rather than on the open market, as we wanted to take advantage of the 'Homes under the Hammer' syndrome. We knew from experience that people sometimes bid crazy money at auctions for properties that need work. We also knew that if we put it through an estate agent it could have taken an additional four months, which would be four more months of having our money tied up.

We knew if we did it up it would be worth somewhere between £220,000 and £240,000, so selling it for £120,000 would mean everyone wins. The vendor wins because they get to pay off their mortgage quickly and can get on with their lives; the buyer wins because they've got room to make a nice profit themselves; and we win because we made £20,000 pretty quickly.

Key learnings

Having multiple exit options is essential. We reinforced our rules, plus we bought it well, had multiple exit options and we didn't get greedy with the reserve price.



AFTER



TIME MANAGEMENT

Because we've got other businesses, we have to manage our time effectively to make it all work. And as you might expect some weeks are busier than others, depending on what stage of the project we're at.

The beginning of a project is the most hectic part – getting the solicitors lined up, arranging the funding, getting the drawings from the architect, and drawing up the spec for the builder. But once all that madness has happened and you've got the builders going, then it's just a case of keeping on top of the project.

We are both capable of managing projects, but it's not something we ideally want to do, so we try to work with builders who can manage it themselves. We catch up on a weekly basis, but they manage all the separate trades so we don't have to.

We're both pretty busy running our other businesses too, so sometimes one of us has

to pick up the slack if the other is busy with something. But it works out well and we often find time for both of us to do things together, such as viewing new properties.

MELROSE PLACE
Property Investment

We've spent a bit of time setting up good routines as well, so things like networking and property sourcing are built into normal day-to-day life. Some jobs can be done at any time of the day or night, like deal analysis or searching for properties, so we can be flexible.

Over the past year, we've probably each spent between one and three days a week on property, so it's not insignificant, but equally, it's not 60 hours a week. And it's definitely not taking over our lives, which is really important, as we like to take time out too, to go on holidays (Phil) and play golf (Sam).

"We work one to three days a week on property"

ONWARDS AND UPWARDS

We're pretty pleased with how this year has gone, so we're looking for more of the same next year. We've just had an offer accepted on a property we found on Rightmove that we are looking to complete on in January. We're definitely refurbishing this one, because we know it's going to be a really good one.

When we look back historically at what we've done, either together or individually, we can see that it's growing almost exponentially, so we've done four this year and perhaps next year we might be looking at more like five, six or more. We've got a bit of momentum going now, so we'll just see where it takes us.

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Click here to
listen to the full
interview

LEAPS & BOUNDS!

HOW JONATHAN IOANNOU MOVED FORWARD IN 2018

Interview & words **Raj Beri**

Having faced the huge disappointment of getting a degree but unable to secure employment in his chosen sector, Jonathan swallowed his pride, brushed himself off and started from the ground up. He worked as an estate agent, worked in the surveying industry and worked as a sourcer, whilst building a portfolio with his own money and via JV partners. He has done R2Rs, a PLO, a flip and created a portfolio of high-end HMOs. So it's been a busy few years and a phenomenal 2018 for Jonathan. In this interview he shares his journey with lots of tips along the way. He's now off to travel for the next six months – just reward indeed!

YPN: Perhaps you could start by telling the readers about yourself and how you got the property bug?

Jonathan: Being quite a creative person and having an interest in property, I thought that doing architecture at university would be the route to follow; living in student houses and speaking to landlords further increased my interest. I left university in 2012 and found it impossible to secure a job due to very few openings. I was unemployed for about three months despite having sent out over 500 CVs, although I did get two unpaid job offers. This was a real low point in my life, so I started to look for related jobs which would get me into property, eg construction, surveying, project management or perhaps estate agency. The latter was my last choice. As it was the only option at the time I took the job, but it only lasted for three months.

YPN: Having studied for a degree, were you not tempted to follow the more traditional route?

Jonathan: That's obviously what I wanted to do, but the two firms that offered me unpaid work both expected me to pay for travel costs and that was the last straw. I therefore had to decide whether to

continue my pursuit of architecture or just look for other opportunities because, at the end of the day, my main reason for doing architecture was to get into property. I decided on the latter and tried to find different roles and different job opportunities so that I could work in the property sector.

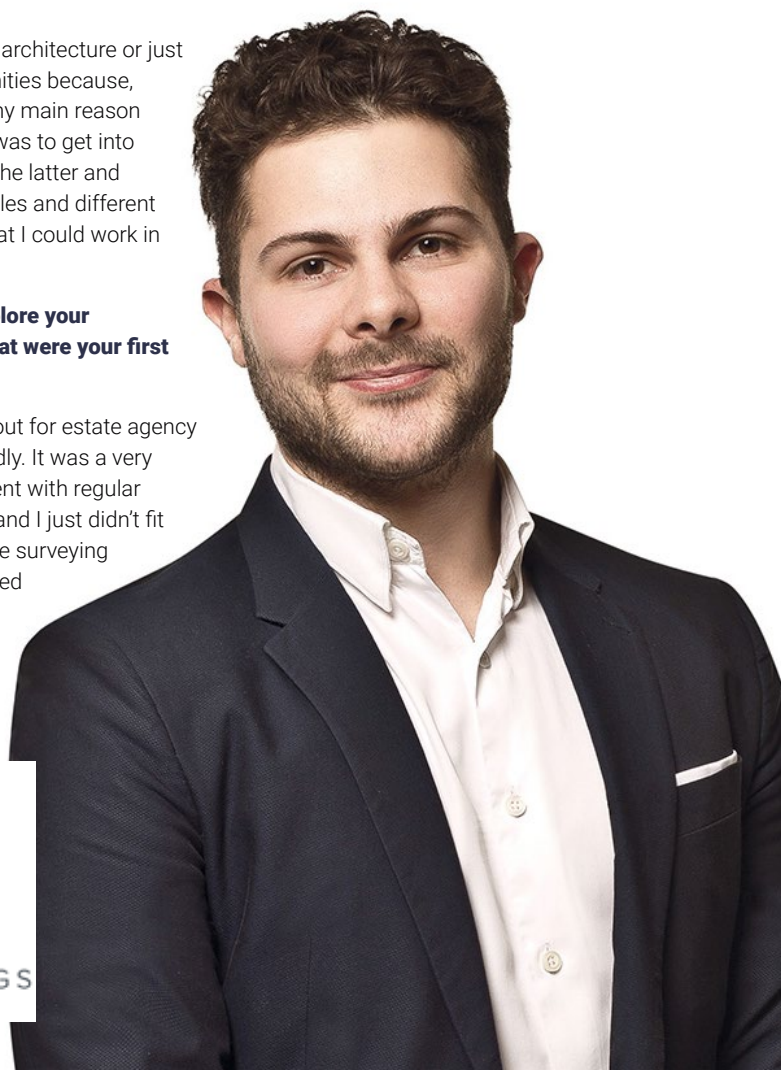
YPN: Let's start to explore your property journey – what were your first few roles?

Jonathan: I'm not cut out for estate agency so I did really, really badly. It was a very sales-based environment with regular meetings and targets, and I just didn't fit in. I then moved into the surveying industry under a qualified surveyor and my roles were a mixture of surveying and costing out small

refurbishments. Having done architecture, it was a hard thing to accept as one is almost admitting defeat and I felt demoralised about my whole situation. However, my degree did help me secure the role in surveying, so part of me felt that I was progressing; I learned how to actually build a house and how buildings are put together.

YPN: You were then headhunted for a role as a property sourcer – sounds exciting!

Jonathan: I guess it started whilst I was with the estate agency where I met investors and was able to pick their brains, which proved to be a really good learning experience. One of the investors I met was Jesse Taylor (from Fossey Taylor) who later offered me a job as a property sourcer. He gave me a crash course in sourcing and initially that was my main role although later, I became involved with renovations and project management. Because of my previous experience, I also looked after their bigger projects and eventually became their branch manager. Looking back, I couldn't have progressed without having a degree and estate agency experience, plus the roles I had within the surveying sector. This gave me confidence, as a 25-year old sourcer, to speak to estate agents and talk the talk about many aspects of property.



JMI HOLDINGS

YPN: Perhaps you could share how you got started with your own portfolio?

Jonathan: I bought my first house in 2014 when I was with the sourcing company and set it up as a single let. I saved every penny I could for a long time and my mum also lent me a sizeable sum, without which I couldn't have got started. I managed to refinance my first property and pulled out £20,000. To build the investment pot further, I also started doing project management for a fee. I followed the single let with a flip and then moved onto my first HMO with some financial help from my partner's grandparents.

Because I had cash sitting in the bank, I was constantly looking for a deal which delivered cashflow, so HMOs were the obvious next step. Within Fossey Taylor, it was permissible to buy from their stock, so my single let and flip were through Fossey Taylor. The HMOs have been sourced either through direct vendor marketing or word of mouth. The first HMO was sourced from a letting agent friend, who approached me and said: "I've got a landlord who's got two empty houses."

YPN: You decided to embark on getting some property education – what was the thinking behind that?

Jonathan: I was buying one-two houses per year using the buy, refurbish, refinance model and thought I was doing well. A friend of mine told me about a property course he was about to do – when we caught up about a year later, he told me he was now earning around £60,000/year! Another friend then did the same course and I remember trying to talk him out of it but without success. He started making even more income than my first friend; both were earning more than me, which left me perplexed as I had so much more property experience. At that point, I decided to drop my scepticism and also signed up on the program.

YPN: With respect to JV partners, you stumbled across your first one didn't you?

Jonathan: Definitely. You couldn't make it up because on day one of the three-day training event, I was sat there with my sceptical arms folded, still thinking it was a con. Another person on the table introduced himself and it turned out that he was buying an HMO in my area, which I don't believe is an ideal one. So I advised him against it and during the coffee break, he pulled out

of the purchase! So two things happened at the training event: (1) I began to appreciate that I had so much to learn about investing in property and (2) I helped someone avoid an expensive mistake and he then ended up telling me that he now had £300,000 to invest, and suggested we worked together. One of the main reasons I went to the event was to try and find a JV partner so perhaps it was the law of attraction at work?

YPN: Moving onto your main strategy of HMOs, can you give the readers a sense of how you went about sourcing them?

Jonathan: I use whatever tool is at my disposal to source HMOs. With R2Rs, I would gather and collate information from Gumtree, Spareroom etc. Once a month, I would start cold calling the advertisers to see if any of them would let me view their property. I mostly had "no"s but occasionally I would get a viewing and I managed to secure a PLO with this approach. I would also walk the student patch in late September looking for empty properties and I have secured two R2Rs using this approach. I have also done deals

by approaching letting agents to see if they have any properties that are struggling to let.

Cold calling is not pleasant but you've just got to get on with it, one after the other. Your first few calls won't be very good but you'll get better and better with practice. It's all about building rapport and getting your foot in the door – for most of these calls, I

would be offering guaranteed rent but if they were receptive, I would discuss a PLO. The finance for the R2Rs and PLO came from the pot of money I released by refinancing my own portfolio. The funding for future purchases was via JVs and or using other structured agreements.

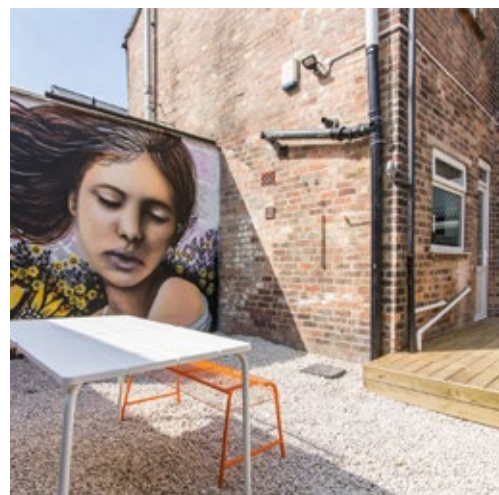
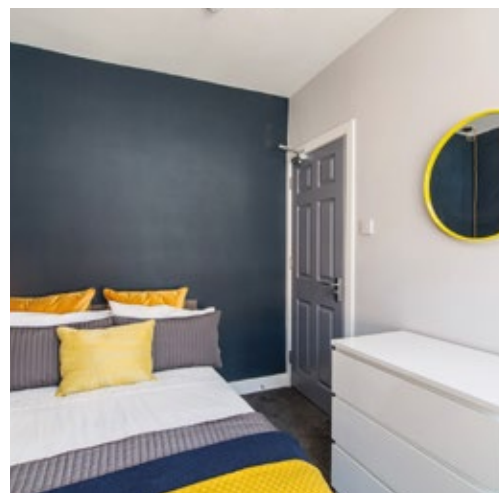
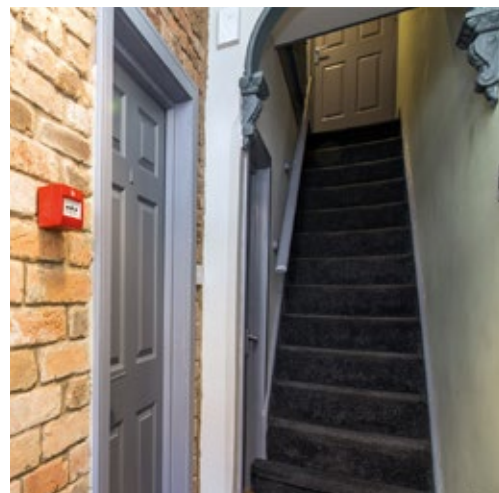
YPN: Could you share details about how your JV partnership came about and some tips about setting up JV agreements?

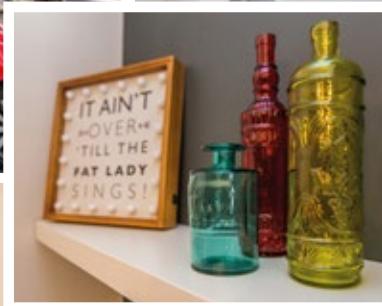
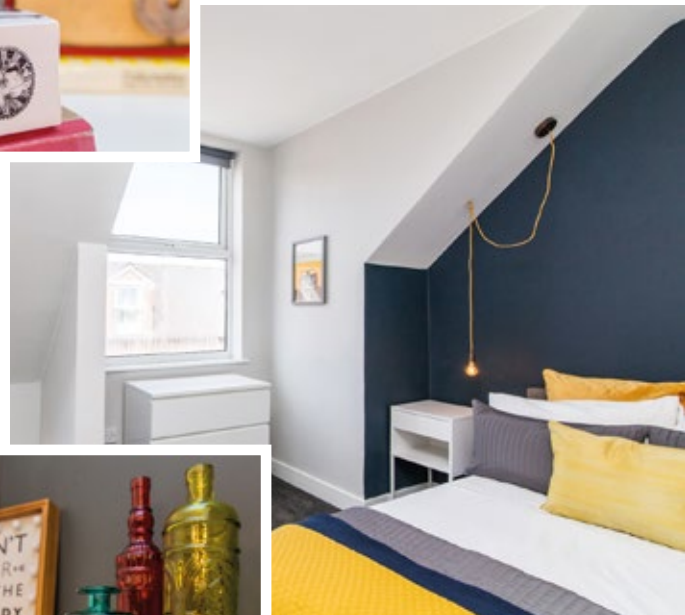
Jonathan: As I mentioned, I met my first JV partner at the three-day training event and to date, we've done five deals together, and I've done deals with other JV partners. I get a lot of emails seeking information about JVs and often I get the impression that people expect to just go to networking events and investors will throw money at them, which is quite strange. First, I think they need to show proof of concept and competency by doing some of their own projects (eg R2Rs) to attract JV partners. To give the JV partner more assurance, a

CASE STUDY 1

This was a standard double fronted four-bedroom Victorian terrace that we converted into a six-bed three-bath HMO.

Purchase price:	£100,000
Renovation:	£35,000
Furnishing:	£5,000
Buying costs:	£4,650
Cash in:	£147,650
End valuation:	£185,000
Monthly gross rent:	£2,460
Monthly net:	£1,561
ROI:	Infinite





couple of my early JV structures were 40/60, which moved onto 50/50 once funds had been recouped. These days, we'll do a 50/50 split on everything including net profits and capital appreciation over what they've put in, but then there'll be different equalisation points. For example, if there's any cash left in, I won't take rent until that cash is paid back 50/50 or if someone has left £10,000 in the deal after refinancing, I will give them £5,000 to bring it up to 50/50.

Another structure that I have been involved with is using an investor's SSAS pension funds and there are ways to leverage that. In one such instance, I sourced the property, project managed the refurbishment and then handed it over to my letting agent – in return the JV partner gave me a loan at a low interest rate. In effect you're doing two projects 50/50, but you're doing one each so no issues about ownership.

YPN: With an expanding portfolio of rooms, how have you dealt with management?

Jonathan: The very first deal that I did with my JV partner was a ten-bedroom en-suite property. I attempted to manage it myself which went down like a lead balloon, as I'm not cut out for property management! I took on everything and promised the world, but couldn't deliver. I was getting calls at 11pm because people couldn't get in their bedrooms, as we'd put fancy locks on the doors. I was speaking to a letting agent friend who had set up on his own and he ...and he offered to take over. He's been fantastic and it's allowed me to scale the business over the past few years.

YPN: What about where to invest – how did you decide on that and do you have any tips for our readers?

Jonathan: For me it was an easy decision because I wasn't starting from scratch. I had been investing and buying in Nottingham for others and myself for a few years, so decided to stay fairly local. For people just starting out, it's all about strategy; eg for R2Rs it doesn't matter what the price of the property is because they won't be buying it. I wanted to develop a portfolio close to where I lived rather than too spread out, but for other people it may be different depending on their strategy.

For HMOs, my tenants are mostly professional and because of that, I will only buy in certain postcodes within the city. A lot of people are entering the HMO market and my thoughts are that the best approach is to buy in a nice area, close to the city and then provide a great property with great service.

“For HMOs, my tenants are mostly professional and because of that, I will only buy in certain postcodes within the city.”

YPN: Can you give the readers a sense of the types of deals you have done?

Jonathan: One of my HMO deals has been well publicised so I'll start with that. I bought it for £100,000 and actually paid £3,000 more than was agreed, in return for the seller waiting until I got grandfather rights (permitted development rights) as Nottingham has Article 4. After spending £40,000 on the refurbishment, we managed to get a valuation of £185,000 and I ended up leaving about £3,000 in the deal. The property nets me around £1,400/month which is fantastic bearing in mind that my investment is around £3,000 – this deal has been a good one for me in 2018 as the Nottingham market is very difficult.

I have several ongoing JV projects at the moment and two of them are bigger HMOs (an eight-bed and a nine-bed). Personally, I'm doing a seven-bedroom HMO and an investor, who I set up another HMO for, is lending me the money at a very low interest rate. The property has been purchased for £145,000 and the refurbishment will be around £75,000

to create a seven-bed/six-bath HMO. I am hoping to achieve a new valuation of around £280,000, which would leave very little money in the deal. My preference is generally for bricks and mortar valuations rather than commercial ones, although for this particular one, I have opted for the latter due to a very competitive rate.

We've got a commercial valuation on our ten-bedroom HMO, which is fantastic, but you can end up with higher costs, particularly mortgage costs. If I anticipate getting a similar valuation with both routes, then getting a commercial loan just isn't the right thing to do on most properties

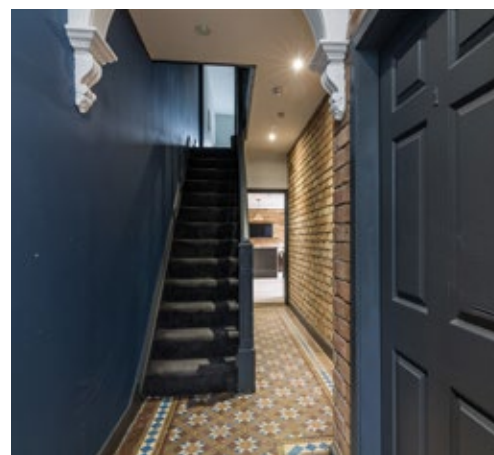
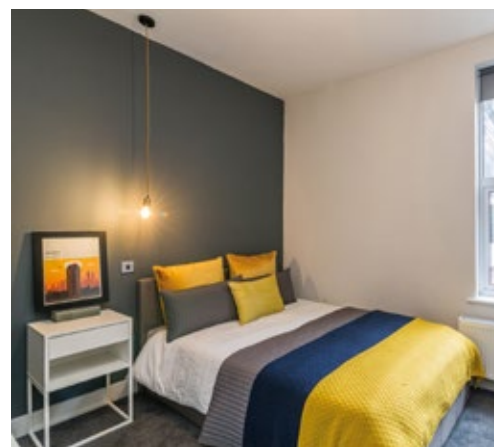
YPN: What are your thoughts about where the HMO market is heading?

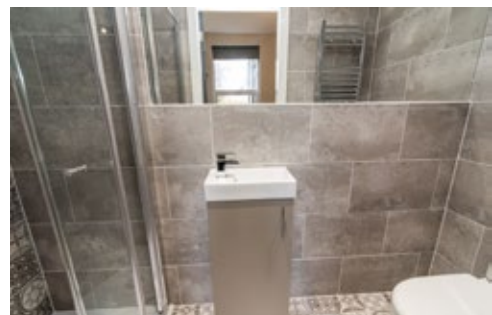
Jonathan: I wish I knew! When one's main source of income is from HMOs and the market is so volatile, it's a scary place to be. The Nottingham HMO market is difficult to get into due to Article 4, so competition is not as fierce as places like Derby, where no such regulations exist. In Derby, prices have increased significantly in the last eight or nine months, so deals are not stacking, at least for me. The rental market is buoyant and our rooms tend to go very quickly because our product is very good and the management agent is on the ball. After the new licensing changes from 1st October 2018, people may start exiting the HMO markets but that's likely

CASE STUDY 2

We took a standard double fronted three-bedroom Victorian terrace and converted it into a seven-bed six-bath HMO.

Purchase price:	£145,000
Renovation (bills are still coming in):	£75,000-£80,000
Furnishing:	£5,000
Buying costs:	£6,370
Planning costs:	£1,500
Cash in:	£232,870
Estimated end valuation:	£270,000-£290,000
75% LTV release (based on £280,000):	£210,000
Cash left in:	£22,870
Gross rent pm:	£3,215
Net pm:	£1,641.50
ROI:	86%





to be at the lower end, so in all likelihood there will be more higher-end rooms and therefore more competition.

YPN: What about your own business – where is it heading?

Jonathan: I'm heavily weighted in favour of HMOs, probably dangerously weighted I would say. I will be taking a break for six months and will use that time to consolidate my business plans and the way forward. Apart from commitments already made to JV partners, I don't believe I'll be doing many more rooms and my intention is to move into smaller commercial property, perhaps mixed use developments. Luckily, I have a very good team around me so things don't take up too much time; running multiple projects is fairly straightforward and manageable if you are organised and strict with your time.

YPN: At a more personal level, how have people around you responded to your success and secondly what has financial freedom allowed you to do?

Jonathan: If I tell people I'm in property, they are automatically interested but I find myself shying away from it, as I don't want to be the centre of attention. If I do start telling some of my friends, it starts to sound braggish or arrogant, so I generally avoid it. I also don't talk openly with close family at the moment. My partner Sophie knows how well I have done and she is really proud of me, so that's nice to hear.



In terms of achieving financial success, we're going travelling for six months in January, which we couldn't have done without regular property income. Also, in March, my partner Sophie decided she wanted to buy a house, which we have done, but it will be left empty and paying for something like that wouldn't be possible without income from property. Financial freedom has also given me time freedom, which is great, although I do feel a bit guilty when I don't do anything.

YPN: What tips can you give to our readers?

Jonathan: Initially, I think everyone should go through the whole process surrounding property and really understand what it is that they're getting involved with. A lot of people enter the market and want to go straight for an HMO, but without really thinking it through. Perhaps one should start with a single let, develop it and learn how to work with builders, letting agents and learn the refinancing process. Starting small and building up to bigger things is a good way to go; there is no shame in doing it this way.

If you're starting out with HMOs, understanding the numbers is key but the biggest tip is to know (from an investment point of view) your criteria/parameters. That way, when the opportunity comes along, you can act quickly; people are far too slow and the deals pass them by. By parameters, I mean are you looking for 15% or 20% ROI, or perhaps a minimum £1,000/month or recycling

your cash or should you do a five-bed or six-bed HMO?

With respect to JV partners, if I were to say to you: "Would you give me £100,000 to invest in Lego?" you would say: "Well, do you know anything about Lego?" If I said: "Not really", your answer would be a firm "no" in terms of lending me money. It's the same thing with property. You have to demonstrate proof of concept – for an HMO JV partner, that could be R2Rs or PLOs, and perhaps combine that with building up your network. Building up rapport is all well and good, but you need to know what you're doing. So the best advice I can give when searching for JV partners is to prove that you're capable and are able to secure good deals – if you can become good at sourcing, the rest will be much easier.

It's also important to keep motivated, so think seriously about getting a coach/mentor. Another way to keep motivated is to read or listen to inspirational stuff. I like reading biographies although I am more of a listener – I really love **Living with a SEAL** by **Jesse Itzler**. Arnold Schwarzenegger's biography is another favourite. I'm in the car a lot so I'm listening to Black Box Thinking at the moment, although my reading list is way too long.

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Click here to listen to the full interview



Pooling pensions with your spouse to invest in property

Mark & Sally Keohane, property investors

Property & Pension Investment Success Story

Mark and Sally Keohane of Milland, W Sussex decided to combine their former work pensions 2 years ago to invest in property. YPN now catches up with them to learn about their journey into the world of pension and property investing.

The starting point has to be the process which Mark steps in to explain: "I came across a company called The Landlord's Pension at a property event in Southampton and listened to one of their Directors Gareth Bertram explain how it was possible to pool pensions with my wife. I'd never heard of this before and was keen to learn more about the process and what could be achieved. I never knew there were such possibilities with pension funds. I had some idea of performance of my existing pension fund but had not given any thought to how I might improve returns. I understand property and, when I heard Gareth speaking, decided I wanted to get my pension invested in an asset class that I know and trust."

Mark continued: "The whole process of establishing a property pension technically known as a Small Self-Administered Scheme (SSAS) was unbelievably simple. I see that The Landlord's Pension have 5-star Facebook reviews for service; not one disgruntled client and having been through the process I can understand why. The team were so helpful in completing all paperwork and explaining the investment options that I had. My wife and I both decided to transfer pensions from old employment into one pension together. We get all the same tax benefits as a standard pension, but our costs are less, and our investment options are substantially greater."

His wife Sally added: "Mark and I decided to invest in a series of property investments that are generating a fixed annual return of almost 10%. This gives us diversification in that we have spread our risk but because our investments are of a property nature, we have the added security of a physical asset sitting behind the investment. This gives us great comfort and over the last 2 years we have seen significant tax-free growth in our joint pension scheme."

'I never knew there were such possibilities with pension funds'

YPN caught up with Gareth Bertram, director of SSAS property pension broker The Landlord's Pension to talk about the property investments that clients undertake. "Many of the clients that come to us are doing so because they want control and understanding of where their money is invested. Some choose to make the investment decisions on their own. However to support our clients we have a small panel of property investment options that offer security and fixed returns. These investments are particularly suited to investors that do not have time to source and manage investments themselves. In the last year we have witnessed some fantastic returns for our clients, many receiving as much as a 90% gain in the last 5 years."

Gareth went on to tell us of new investment options for the coming year. "We have been working hard to secure a new investment for our clients that would maintain security levels whilst bringing a return of 10% per year. We should have this finalised for the coming January which is traditionally our busiest time of the year."

YPN says: "If you are thinking of investing your pension in property with or without your spouse then speak to a SSAS property consultant at The Landlord's Pension. Find them online or make contact by phone."



Download your **FREE** exclusive Property SSAS Pension guide by visiting:
www.TheLandlordsPension.co.uk/ypndownload
0203 9078400

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



LOOKING BACK ON 2018:

MULTIPLE PROPERTIES, TWO BUSINESSES, A PODCAST AND A BOOK

Words **Angharad Owen**

Murat 'Mo' Haykir, 31, co-founder and director of two property businesses, Moorview Property and KHP Group, has had an exceptional year of growth and expansion. Along with huge progress in his property businesses, he also co-hosts the Your Success Podcast with Angelos Sanders, and together they have just released a best-selling book of the same name.

As we hurtle towards the end of 2018, we wanted to find out more about what Mo has achieved and how, but alas ... no journey comes without speedbumps.

Mo currently lives in north London with his fiancé, and splits his time between there and Plymouth, where the two businesses are based.

If his business is based down in Plymouth, then why continue to commute back and forth to London? Because it means he can attend a lot of investor meetings in the capital. There, he has met many investors, some of whom are international, who have gone on to invest in his company's projects, on both a fixed interest and equity basis.

"I really like the contrast between the slightly slower pace of life [in Plymouth], with the amazing scenery and access to the beaches and moors. But then going back and having meetings in restaurants in the hustle and bustle in London."

WHY PLYMOUTH?

There are two major universities in Plymouth, with a student population of around 30,000. The number of students attending the University of Plymouth has declined by around 35% over five years. However, Plymouth Marjon University and the Plymouth College of Art have both grown considerably due to a lot of investment. So there is a small net decline in student numbers, but at the end of the day, it is a university city which has seen some strong shifts in the student market. Many purpose-built student blocks have been constructed around the city and as a result, the student-specific HMO market has shrunk somewhat, as well as what is considered the golden circle of student houses.



Mo believes that in general the standards of student HMOs need to increase. He's noticed that today's students are a bit more discerning about the product they want. Although the student area has shrunk, Mo has many high-quality properties in the area and has no problem filling them.

One of the student houses has even been booked two years in advance.

However, because of the changes in the student market, many landlords in the area have been switching to the professional HMO market. The problem is, many don't realise that it needs more than a lick of paint and second-hand furniture to make it appeal to the young professionals.

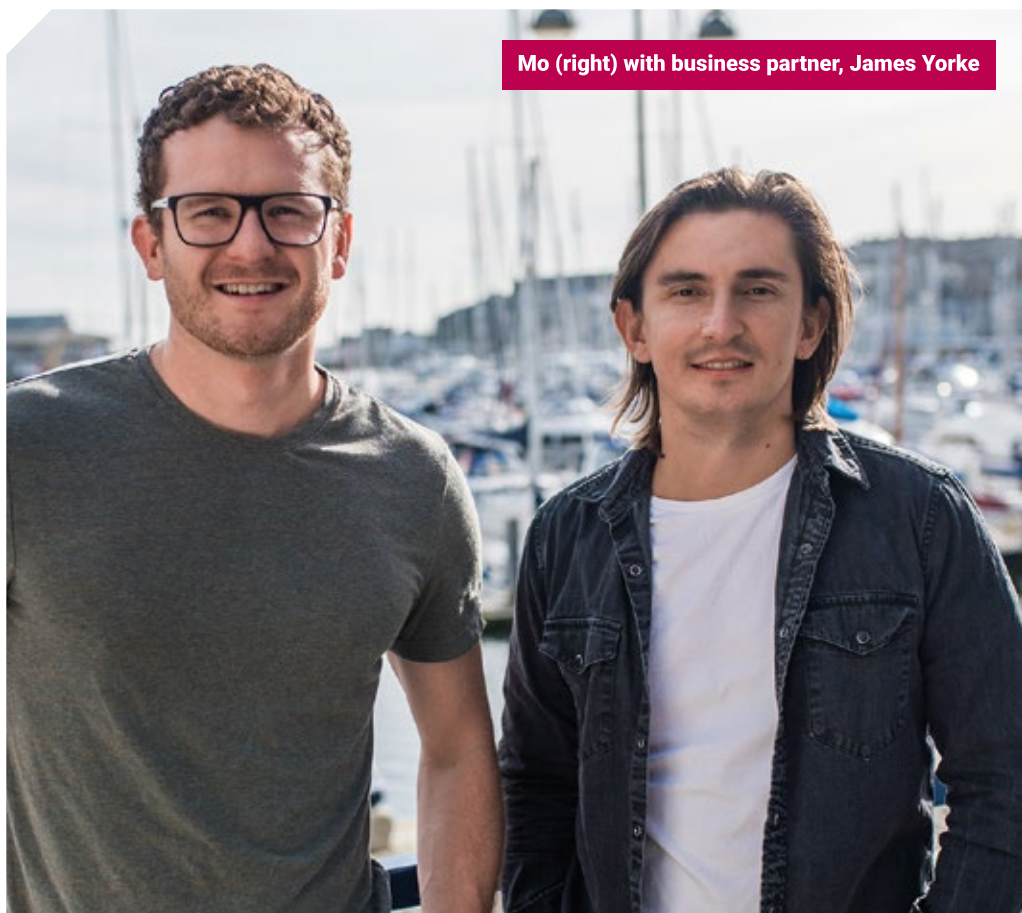
Article 4 has been in effect in Plymouth since 2012, and as a result HMOs within that area are slowly going up in price. Plymouth City Council are not permitting

new HMOs unless in exceptional circumstances. This means there is now a finite pool of HMOs. A lot of people are selling up due to uncertainty about tenant demand, yet well designed, maintained and managed properties are holding their value, or even going up in price.

STRATEGY

A natural question that arises from these changes in recent years is whether the HMO market has reached saturation point in Plymouth. However, this change in circumstances around HMOs is where Moorview Property has spotted the opportunity and stepped in. They take tired HMOs and flip them into smart houses filled with desirable spaces for young professionals to live in. In Mo's experience, there is plenty of demand for rooms of a high standard and the business has flourished.

The cost to refurbish the houses they buy can range anywhere between £60,000 and £100,000. And although Plymouth doesn't appear to have a particularly affluent



Mo (right) with business partner, James Yorke

market, Mo's tenants vary from blue collar workers, to people on graduate schemes for companies like Pepsi and Coke. One of their tenants is a mechanical engineering consultant who lives in Spain and flies back and forth for a few days per week. For him, renting a room in an HMO works out cheaper than relying on serviced accommodation.

At first glance, Moorview's rooms might appear to be on the higher side in terms of rent, but Mo doesn't consider that they are competing with other rooms in the city. Rather, he believes their main competition to be one-bedroom flats.

In Plymouth, a one-bedroom flat can rent for up to £550, with council tax, bills and other costs on top. The flats are usually unfurnished, so tenants will need to factor in the cost of purchasing furniture. But when Mo steps in and offers tenants a room for more or less the same price with an en-suite and all utilities included ... it's a no-brainer in most cases. The only compromise is that the tenant will share a kitchen with other housemates.

Oftentimes, people will pay a premium to have as much as possible on demand and have everything set up ready. Nowadays, people have busy lives and tend to not want the hassle of setting up bills and internet themselves for the sake of saving a few pounds.

The typical reason that a tenant eventually moves out of their rooms is because they have decided to move into a one- or two-bed flat with either a friend or significant other. In many cases, tenants will stay for between 12 and 36 months.

Turning to the investment aspect, Moorview offer investors a turnkey service where they

source and manage an HMO for a fee. They are in control of the process of purchasing an HMO from start to finish. Fees start at £3,000 for sourcing, which is lower than many other sourcers who charge 2% of the purchase price. In Plymouth, the average purchase price for a five or six bedroom HMO tends to be between £180,000 and £220,000.

Most of their investors are London-based, as mentioned above, and these people are unlikely to want to deal with admin.

Moorview then manage the purchase and essential administration. They co-ordinate the broker, solicitor and lender, as well as gather all evidence in terms of HMO usage. The time that can be lost in the conveyancing process, however, is massive. *"Time is money, so we want to get through that as quickly as possible,"* Mo expresses.

After exchange, they project manage the refurbishment if it is necessary, at a rate of 15% of the total works, on a completely open-book basis. This is paid in two segments, with one payment at the beginning of the works, and the other at the end. It goes without saying that this too, is hands free for the investor.

They go out to tender for works, so all investors have an upfront agreement on what the cost of works will be. If any unexpected and costly issues arise, there are client approval forms in place.

They encourage their investors to not consider capital appreciation when calculating their deals. It's very difficult to

predict whether growth will continue at the same rate as it is currently. If anything, any capital gain is a bonus – it doesn't pay the bills.

Each house varies as the layout will be slightly different, but broadly speaking, when complete, gross rent is usually around £600 for one room, £525 per room for three rooms, then a further two at £500 and £450. In total, it can easily tally up to over £3,100. After costs and mortgage, net profit is usually between £750 and £1,500, but the return on investment will vary depending on how much equity an investor wants to leave in the deal.

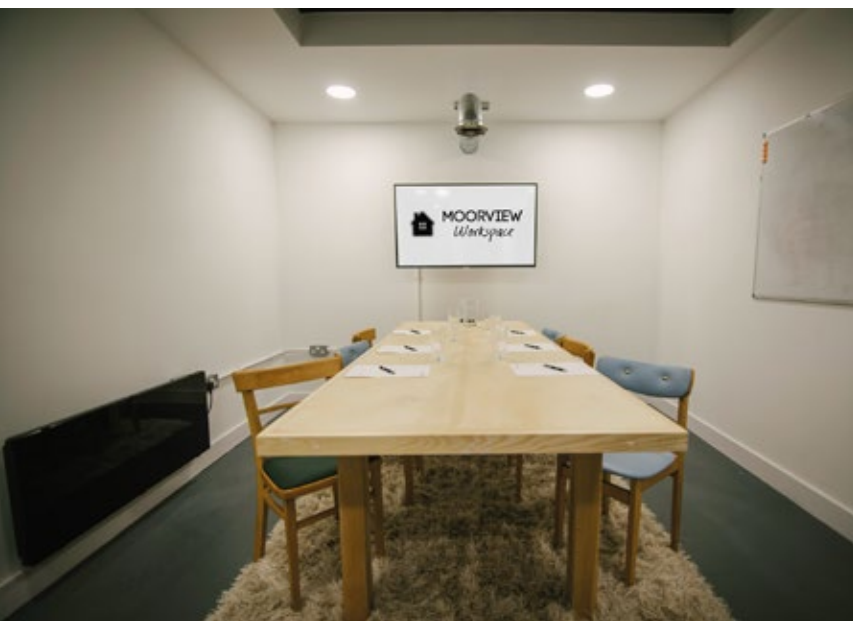
STANDING OUT

Over the past year, Mo has been very active on social media. He's found that because he's very open and honest about what he does, he and Moorview are gaining a following and people are potentially gaining inspiration from his designs. As other HMO operators up their game though, he's finding that they must constantly be innovative to stay ahead of the curve.

Many investors buy furniture packs for their properties and HMOs. *"They're amazing, but you have to look at different packages and mix things up. Because when everyone starts doing it, tenants are seeing the exact same things,"* Mo advises. *"There's no differentiation."*

To make sure they continue to stand out, they are currently working with an interior designer. Their main goal is to add more feature pieces into their rooms. The furniture will be fairly standard, but the spaces will be accentuated with key accessories such as feature lights or mirrors.





ROLES AND RESPONSIBILITIES

Moorview is run by Mo and his business partner James Yorke. James has a construction background, whereas Mo previously worked in banking and project management. Mo's main role in the business is to coordinate marketing, recruitment, finance, staff development, appraisals, team meetings, and James is more hands-on with the builds, leading coordination and management of the projects.

"We don't tread on each other's toes, because we stay in our lanes and we know what we're good at," Mo explains. "But we do offer opinions on different things, and sometimes it's good to get an alternative perspective."

They also have a finance manager and a part-time finance director.

Moorview has three main areas of business. Their core is HMO lettings and management, Moorview Lets. Their other branches of business include Southwest Property Sourcing, which feeds the HMO management business, and Moorview Property Developments, which manages all the refurb.

They have recently expanded into other areas of business, including serviced accommodation, and have recently opened a co-working hot-desk area within their new office building to maximise the commercial revenue on spare space that would otherwise be unused.

MOORVIEW WORKSPACE 12 STONEHOUSE STREET, PLYMOUTH

Type of property	Office
Purchase price	Unit purchased by JV partner with his pension - £180,000. Lease agreed at £16,000 pa for ten years, but with a 20% rent reduction for five years (Moorview to pay for some landlord works as part of this agreement)
Open market value	£180,000
Amount of funding	£40,000
Borrowing rate(s)	10% pa
Total money in	£80,000
Personal money in	£40,000

COST OF WORKS

Duration of project	Four months
Total costs	£80,000

VALUATION & INCOME

Monthly income	Total income £6,450 split across six office units and eight hot desk memberships
Bills	£2,220
Monthly mortgage payment	Cost of JV finance £333 + lease payment £1,067 = £1,400
Monthly costs	£3,620
Net monthly cash flow	£2,830
% Return on money left in	85%

ACHIEVEMENTS IN 2018

Looking back to the beginning of 2018, what where Mo's goals for the year?

Move the business out of serviced office space ... and into their own office, which they have achieved by converting an old building into their own space.

Source and deliver two HMO refurbishments per month ... which they are now achieving. They are also well on the way to managing 300 rooms by the end of 2019 – a large increase from 80 at the beginning of the year.

Streamline the serviced accommodation units. They've taken on a few new units but have also let a few go. As you may imagine, serviced accommodation is a competitive market on the South West coast of England. Although they're gaining a lot of business from direct bookings from contractors, they also want to remain firmly in the tourism market, and the new properties are in prime holiday locations.

Expand the Moorview team. They have recruited an additional five full-time members of staff. *"To be honest, we have a really good team,"* Mo told us proudly. Our new recruits are a mixture of graduates and non-graduates with relevant experience. All staff are taught to have a lot of ownership over their responsibilities, with ownership being one of the five Moorview company values. Mo and James want to empower their staff to make their own decisions and report back on key metrics.

SPEEDBUMPS

When interviewing someone for an article of this nature, people often have an extraordinary ability to make the process of growth and expansion sound like an easy ride. Although not particularly true for Moorview, they have implemented something they call black box thinking, based on the book of the same name by Matthew Syed. It encourages everyone to learn from mistakes so they can improve in the future.

It's important that when the focus is on one part of the business, that the ball doesn't drop in another. As a company, there are many plates spinning in the air at any one time.

The biggest speedbump they've encountered is that of financial management, reporting, processes and control. In only eighteen months, Moorview has gone from being a business comprising two people working out of a living room, with a few part-time freelancers, to being a large management, sourcing and development business.

They have recruited two full-time finance assistants, a full-time finance manager and a part-time finance director, and an undergraduate to help with the financial systems. *"You can't underestimate how important it is to have your numbers on time so that you know where you are and to feed those reports to clients,"* Mo explains.

One of Mo's roles is to manage and balance investment monies and income across the branches of the business. As a result of making this a top priority for 2018, they have seen a transformation, particularly

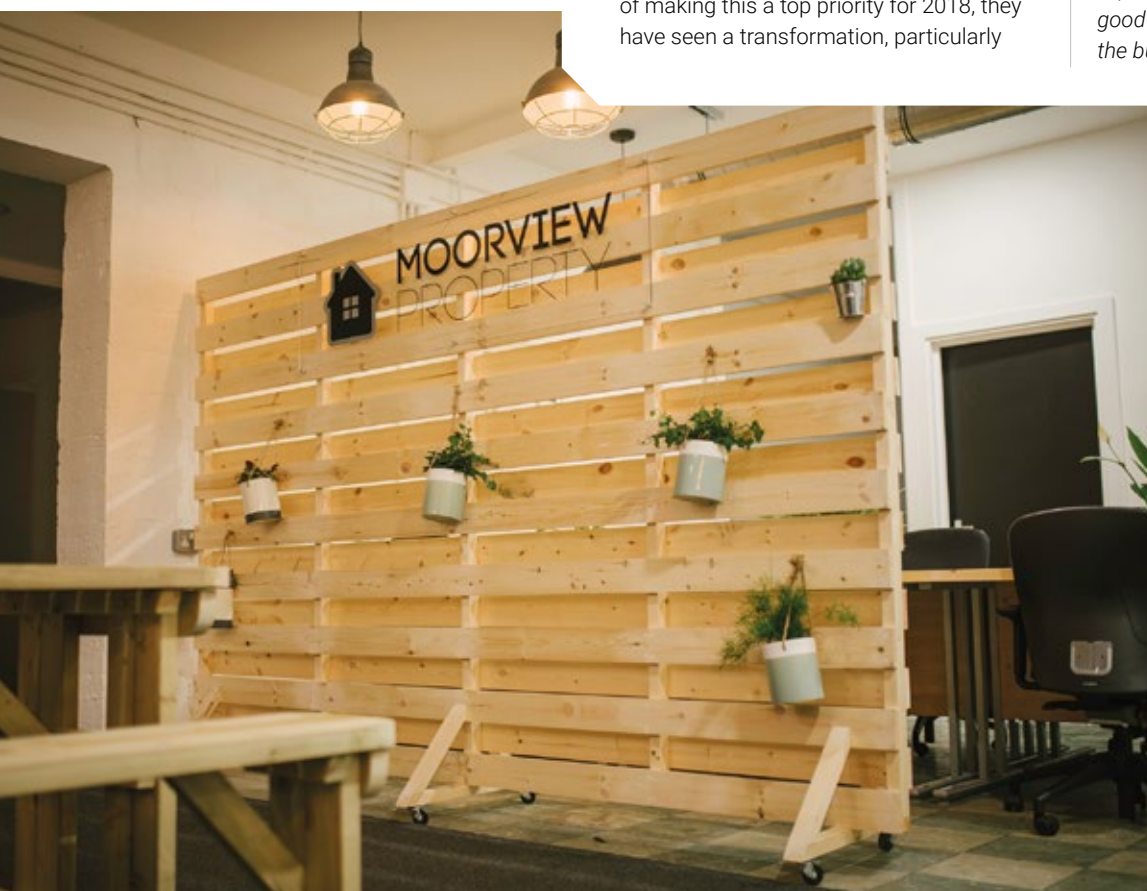
since bringing in a finance director. Mo says: *"The transparency, the visibility, the profitability, everything, is just much better now."*

As everyone knows, nothing is clearer than with the benefit of hindsight. When asked what, if anything, he would have done differently, Mo revealed that his main regret was not recruiting into the financial function earlier. With a career in corporate finance and qualifications in business, economics and accounting, he had taken this responsibility upon himself, but bringing resources in to cover this has been a big advantage for the business. It has freed Mo up to do more income-generating work in other areas.

It can be difficult to make the decision to invest in hiring into the finance part of the business, because it is a pure cost and does not generate any income. But it only takes a couple of instances where income has been missed and this has had an impact on the finances, that it becomes clear that there's a business case for hiring a financial manager.

Having the right, up-to-date data to hand in meetings has proved invaluable in getting a better insight to the business, enabling them to create the necessary decisions.

Hiring a financial manager has had another surprising positive effect, in that it has brought Mo a sense of self-awareness on how he likes to spend his working hours. *"The financial stuff wasn't my passion. Obviously that's why it wasn't being prioritised and being done as well,"* he admits. *"The bookkeeping wasn't being kept up to date because it's not what I'm good at and it's not where I add value in the business."*





YPN SAYS

As keen property investors, we can often be guilty of assuming that progress means taking lots of action, but that's not necessarily true. The investors featured in these pages have achieved a lot this year, but progress is sometimes about stepping back and taking stock, as Jonathan plans to do next year. Or genning up on a new strategy. Or even adjusting to new developments or regulations for an existing strategy.

Now is the time to decide what progress will mean for you in 2019. Will you be buying a particular number of properties, setting out to achieve a certain amount of net income, aiming to get a percentage return on your money, or educating yourself further?

Remember to make your 2019 targets SMART – specific, measurable, achievable, relevant and time-based. In addition, being accountable to someone else is a good motivator. It's harder to wriggle out of your commitment if you've got to explain to another party why you're not doing what you said you would.

One thing is for sure, putting the effort in now to set out your stall for the next year will reap rewards. You will have a focus and that in itself puts you ahead of the game. Good luck and let us know what you're planning for 2019!



THE FUTURE

The KHP Group is another business that Mo and James are directors of, alongside three other business partners. Back in the July 2017 edition of YPN, KHP was featured with their Kingsleigh House development project. Collectively, the team of directors have many years' experience in finance, construction, interior design, architecture and building surveying. They create the perfect team to specialise in large developments and conversions.

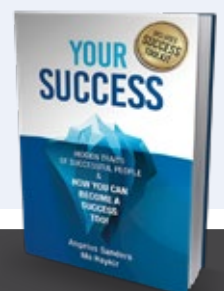
A little over a year ago, they expanded the business to hire a full-time sourcer, project manager and finance assistant.

At the time of writing, the KHP Group have four projects ready to go live in the later months of 2018. This will bring the total GDV of onsite projects to £8m, consisting of a mixture of properties they plan to sell and hold to rent. The projects will range between nine and 24 months to complete and 2019 will be dedicated to execution and delivery of the builds.

At the time of writing, one of the KHP Group's projects, a chapel conversion into a 30-room HMO, is live on Crowd Property. They successfully raised £300,000 in 18 minutes. The rooms will be spread across six flats in the city centre of Plymouth.

Mo also plans to continue to grow Moorview. He would like to retain 50% of their HMO deals between the two businesses.

Beyond property, there is another book in the pipeline, and pen will be put to paper in the Autumn of 2019.



GET IN TOUCH

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ANT LYONS

Prolific investor, developer, property entrepreneur, co-founder of YPN. In his element digging into the numbers and structure of deals. Expect lots of deal detail on Ant's webinars.



RAJ BERI

Very experienced BTL and HMO investor and landlord, with tenants ranging from students to professionals to LHA family groups. One of YPN's regular writers, on interviews Raj is particularly good at ferreting out the intricacies of how investors work and has a particular interest in what acquisition strategies **REALLY** work – **TODAY**.



JAYNE OWEN

YPN editor, residential and commercial landlord, experience of holiday lets. Also a qualified coach, Jayne likes to get to the bottom of how people's minds work. As well as deal analysis and expert interviews, some of her webinars will explore the psychological approach to succeeding in property.



MICHELLE CAIRNS

Starting her property journey four years ago, Michelle has since replaced her teaching income through her first five properties. She is active in property circles and has recently started a year-long education programme to step up to the next level. Ambitious and dedicated, she thrives on adding value within her network and is excited to be one of the Extra interviewers, bringing the best in the industry to you at home.



ANGHARAD OWEN

On the hunt for her first investment property in her own right, Angharad may be the youngest in the team but has grown up around property investments and development. She has hauled bricks with the builders on major refurb projects, been part of the turnover team on a huge holiday let property and overseen the refurbishment of a flat. She'll be digging for information and presenting it in a way that everyone can understand, regardless of experience.

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RANT RAJ'S HMO RANT

This is my first of perhaps many rants and because it's the last month of the year I'll make it Multiple Streams of HMO Rants to cover the whole of 2018. Actually my article is a combination of rants with some advice and tips – Xmas is approaching after all. My rants are aimed at people who want to invest in HMOs for cashflow (which can be a great idea by the way) but can't be ar**d to learn this strategy properly.

Grasping the basics rant

Perhaps the people teaching the 'HMO strategy' aren't emphasising the basics enough? Maybe it's the attendees, who in their rush to the promised land of financial freedom through lots of HMO £££, don't pay a blind bit of notice to what they are being taught. This is remarkable given that the HMO sector is fast becoming the most regulated. The basics mean learning some definitions and learning some, well, basic information – its not like you need a degree or PhD to get a grasp of some simple concepts but perhaps it helps (I have one of each!). A fantastic resource to getting a grasp of the basics in terms of definitions and regulation data is www.gov.uk (**hint:** it is the government who set the HMO rules). The basics I am talking about are HMO definitions, HMO regulations, room demand analysis, etc.

Investing in HMOs rant

The first thing to appreciate is that there are essentially four HMO models and I personally know investors operating successfully within each. Investors do

HMOs for the cashflow and each model has its pros and cons – we do student HMOs for lots of reasons, but the students needing attention at the smallest of things is not one of them. Mostly they're innocent, naïve, scared and a bit wet behind the ears so need a bit of mothering – luckily my wife is on hand, in case any of you think I dress up! A few years ago one of our students called to say "there's something wrong with the electrics in your house" – sorry Miss Student but you were plugging in your dodgy hair dryer. Another student burnt the carpet in the communal area (hallway) and then admitted to it (innocence/scared). Honesty is such a great quality!

Earlier this year, someone pulled the TV aerial out; someone else then reported it as faulty – oops, an engineer call out charge. There are many more but to finish, just a few weeks ago, the students called to say the TV was broken as it was showing "no signal". We check the student houses before move-in, so it was a surprise. Anyway, I was in the area so agreed to pop around – someone had pressed the input/source button on the remote over to DVD player, so obviously the Freeview connection was lost. I did explain this but they just looked bemused – no call out charge as we are very nice landlords.

We generally like the student sector so my rants are quite minor and these HMOs continue to perform well; the gurus need to have a more balanced view of HMOs.

On the subject of professional HMOs, whatever does that term mean? We have had a few interesting things in our professional HMOs, so that's worth a rant. We've had the usual "being abducted by aliens" when they haven't turned up to a viewing, and a person who did turn up kept looking behind the radiators so I had to ask him if he was looking for something and he just grunted.

In one of our HMOs, the brother of one of the tenants moved in "semi-permanently" followed by much boozing and drugs. This led to an argument on the road at midnight and culminated in one of them trying to run the other over – he must have missed but managed to smash into our HMO.

Regulation rant

Here's a classic reply due to not grasping the basics. **Me:** *My area has Article 4 so its going to be difficult to get planning permission to change a family house to an HMO (see definition on www.gov.uk);* **You (experienced HMO investor/agent etc):** *Yes, licensing can be a challenge.*

For goodness sake!!

These are not new regulations and you don't need a degree in astrophysics to interpret the rules of the game. I wrote an article in YPN a few years ago and also recorded short training video to help readers (<https://bit.ly/2Rnk8ev>). Far too many investors fret about licensing, when it's Article 4 Direction that should concern you – get this bit wrong and you could end up with a very expensive single let property.

I hear people say: "I don't need an HMO licence for a three/four bedroom property in my area"... Just add the word YET! On a closed forum, someone advised that three-bed HMOs are **outside** of the licensing requirements – not true, so tread carefully when seeking advice and opinion.

Getting advice rant

No resource is going to be perfect but I urge you to speak to people who have operational knowledge, not theorists. Personally, if I were just starting out in HMOs, I would get the basics from a great resource like YPN (am I being biased?) or HMO forums and then connect with the council. I was able to do that recently when I cross-checked something with the forums and the council.

There are other aspects of HMOs that I need to rant about but let's leave that to another day ...

Happy HMO Hunting!

Raj



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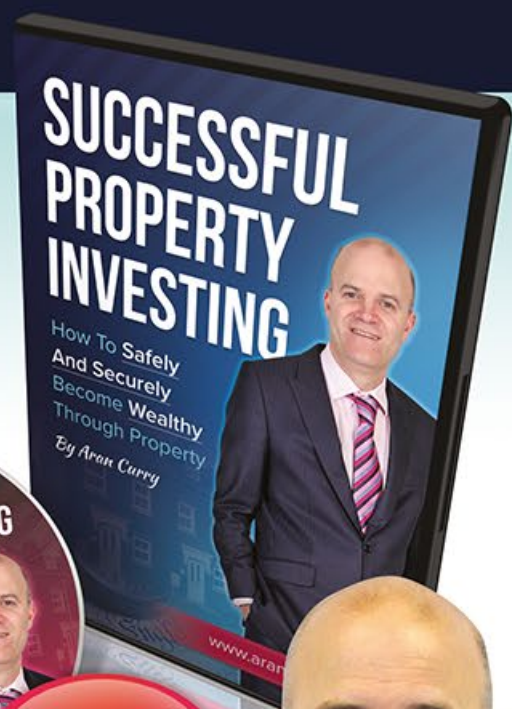
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THE CHALLENGES OF SCALING UP

LEARNING ON THE JOB LEADS TO SUCCESS FOR CRAIG MITCHELL

Interview: Ant Lyons and Angharad Owen Words: Angharad Owen



discovered this project when Craig Mitchell, of LJ & Keat, pinged over an email with details of his post office conversion attached. As soon as I saw it, I wanted to know more so without the slightest hesitation I replied saying that we needed to get it into the next issue, ASAP.

Since then, the project has been nominated for HMO Deal of the Year Property Investors Award. Read on to find out why ...



CRAIG WITH BUSINESS PARTNER MARTYN

BACKGROUND

Craig left school with no qualifications, and despite wanting to go into the car-repairing industry, he started working as a kitchen fitter. He took to the work like a fish to water, and he loved it.

At age 19, he bought his first house. He did it despite having no money, convinced his brother to take out a mortgage and borrowed £12,000 from his dad on a 5% return. The tired house took two years to refurbish and upon sale, and he made £65,000 profit.

From then until two years ago, he was flipping houses and doing refurbishments on behalf of other people. Over the years, he has worked on about 30 properties, including flips, knocking houses into flats and adding small extensions.

The business LJ & Keats started when Martyn Woolford, Craig's now business partner, approached him when the recession hit to help refurbish a house. At the time, Craig's wife was getting tired of constantly moving and living in building sites, so he offered to go 50-50 on the deal with Martyn.

Together, they started flipping and began acquiring single lets for their portfolio. Martyn encouraged Craig to read Property Magic, and in 2016, they joined the Mastermind Accelerator course.

Craig needed some encouragement to do it though. As he had been flipping properties for a several years at this point, he felt he was spending £4,000 attend a course about something he already knew everything about.

But on the train journey back from Birmingham, Craig had a lightbulb moment. He realised there was so much more that could be done with property. The Accelerator course had, in fact, revealed a brand-new world.

This opened up the HMO market for them. They secured their first one after completing a flip that released £120,000 profit. Fast forward two years to the present, and they have a total of 39 rooms divided between eight HMOs.



THE ORIGINAL POST OFFICE

PRIORY ROAD WAKEFIELD

Type of property	Detached
Any relevant history for the property	Previous to our purchase of the property it was used as a local post office, cafe and convenience store on the ground floor with a three- bedroom flat on the first floor
Strategy for this property	HMO
Purchase price / Acquisition cost	£150,000 Purchase + £3,000 legals
Open market value	£160,000
Purchase/ Acquisition costs	£2,961
Funding method	Cash purchase with a JV
Deposit paid	£37,500
Amount of funding	£295,000
Total money in	£295,000
Personal money in	£40,000



LOCATION

Craig and Martyn operate in a five-town area outside Wakefield, in West Yorkshire. It's a good area as it has a lot of investment and regeneration, but the prices are only just coming back to where they were pre-2008.

The average price for a terraced house ranges between £70,000 and £90,000. In general, the prices in the area seem to offer a good return on investment, particularly if one comes along that needs a lot of work.

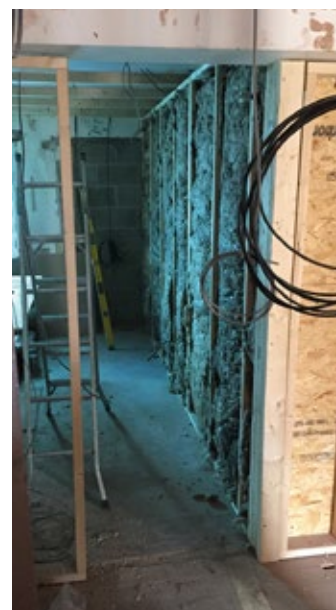
Their HMO tenants are a mixture of professionals, such as nurses and police officers, and industrial workers. Around the area, there are a number of warehouses and power stations. Many of their tenants are engineers and welders who are contracted to a nearby power station. Although Wakefield and its suburbs may not be the first place that comes to mind when thinking of HMOs, there isn't a struggle for demand.

Their tenants range from young workers in their mid-20s, right the way up to those in their late 50s. Craig and Martyn like to keep the general ages of tenants within a house similar, to ensure a minimum number of disputes.

The market in Wakefield is growing, and a lot of investors are moving in. As a result, there are some high-quality HMOs being created and Craig aims to provide some of the best in the area.

Demand for rooms is high, as they tend to be filled before a house is finished. Craig believes that a lot of HMOs in one area is good, as it encourages a high standard to be maintained.

At the beginning of their HMO venture, they priced their rooms at an average of £90 per week. Now, however, they're making the effort to continue to raise the bar and set a better standard of rooms, and are now averaging a price of £100-£120 per room per week.



THE PROJECT

The project we're talking about this month was the first big project that Craig and Martyn had undertaken. It was a mixed-use building comprising an old post office, convenience store and an upstairs three-bed flat. Craig had no experience in major planning applications, his only previous involvement with planning had been with extensions or loft conversions.

Craig found the building on Rightmove Commercial. This happened to be the first property he saw, and it was two minutes down the road from his house. As soon as he laid his eyes on it, he knew it would work well as an HMO.

PLANNING OBJECTIONS

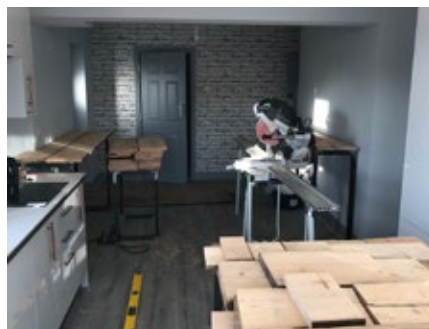
They bought the property without any surety of planning, which would be a huge risk for some. But Craig has always learned as he has gone along, and the numbers for this building stacked well. Even if the project ended up being a long, drawn out process, they knew it would be worth it. Along with a local architect, they created the plans and prepared the planning application. The architect was useful in that he knew what they could and couldn't do in their specific area.

Their worst-case scenario in the event that the planning application was rejected was to convert the upstairs flat first, and then do the downstairs another time in the future. They were confident that they had multiple options and exits.

Planning became an ongoing issue for them. When the local residents and neighbours, including councillors, local press and the mayor, heard the house was going to be converted into an HMO, they had numerous objections to the conversion going ahead. They even set a petition up to stop the conversion.

To help his case, Craig attended a local council meeting, introduced himself and was instantly greeted with anger. The residents assumed he was from out of town, but as soon as he said he was local to the area, they dynamic of the room changed.

He also made the effort of going door-to-door to let the neighbours and other residents of the area know what he was doing. They are now all on board with Craig, and they love the new addition to the neighbourhood.



COST OF WORKS

Duration of project	Purchase date 31st January 2017 , planning submitted 31st January 2017 , planning passed June 2017 , refurbishment seven months
Architects fees	£1,000
Planning costs	£1,600
Planning duration	Six months with objections from local residents, mp's and mayor. Was pushed to a committee with a vote in our favour of 6-5
Asbestos survey	£250
Skips	£3,600
Site prep and demolition	£4,000
Drainage and incoming utilities	£1,200
Structural works	Nothing structural, internal fit out with stud walling to suit acoustic tests, materials and labour £28,000
Doors	£1,700
Windows	£11,000
Roof	£3,500
Plumbing	£8,400
Electrics	£9,000
Flooring	£5,500
Decoration	£4,000
Kitchen	£10,000 (£5,000 on each kitchen) including appliances, £2,500 utility/laundry room
Bathroom	Four bathrooms @ £2,500 each, Two toilet rooms @ £700 each =£11,400
Floor & wall tiles	£1,400
Externals	Car park & pathways £12,000, rendering £7,000, gutters, fallpipes and drainage £2,800
Alarms / CCTV	£1,300
External lighting	£450
Blinds / curtains	£1,400
Beds	£3,000
Furniture	£4,600
External furniture	£1,400
Total costs	£142,000

THE BUILD

The building had been an empty for a year. The gardens were overgrown, but although dated, the interior was structurally sound.

The original plan was to build a house where the car park is now, but once the plan was submitted, the highways brought up some concerns with the neighbours and parking. Craig and his team accommodated this, amended the plan and moved the parking to the other side.

As Craig had some experience in house refurbishments, he estimated the build cost to be £90,000, as it was the equivalent size of three or four terraced houses. However, he learned that bigger projects were a completely different kettle of fish to small ones.

The total spend was around £130,000, which was extremely over-budget. However, looking at what they achieved within that, it was a fair price.

A major underestimation was the acoustic testing needed. Although he had some understanding of acoustics when converting flats, as far as he'd been told, he didn't need the test for this particular project. However, he later learned that anything above six bedrooms needs the acoustic test.

It was a big learning curve for Craig, mainly due to his inexperience in working on bigger projects. But the reality in the property industry is that it's never possible to predict what is going to happen. If one factored in everything that could possibly go wrong, there would never be a deal.

The design decisions for the interiors evolved over time. Craig changed the architect's drawings, because it was only after stripping the building that it was possible to see how it would best flow. He organised the layout of each of the rooms, and Martyn's wife designed the interior colours and dressings.



VALUATION & INCOME

Post-works valuation	£400,000
IF SOLD ...	
Sale price:	£400,000
Profit:	£112,000
IF RETAINED ...	
Re-mortgage amount:	£357,000
Money back out	£267,000
Money left in	£28,000
Monthly income	10 bed HMO
Bills included?	£4333.33
Monthly mortgage payment	£1007.93
Monthly costs	£1,200
Net monthly cash flow	£2,125
% Return on money left in	90%



FUTURE PROOFING

However, despite the on-trend look and feel of the property now, in a few years it could end up looking dated. Craig has thought this through on both the exterior and interiors.

The exterior cladding under the windows can be easily changed, along with keeping the gardens and car parks – they can be updated by using different gravel and planting arrangements. They intend to reassess the interior design and decoration every six months.

It was difficult to get a valuation on the property after the conversion had been completed because there wasn't any other comparable in the area. Craig estimated around £350,000 bricks-and-mortar. It ended up being valued at £400,000.

Despite remortgaging and leaving £28,000 in the deal, which isn't a huge amount of money for a ten-bed HMO, it's generating around £2,000 net profit per month.

Unlike many other investors we speak to, Craig is in no rush to do another large project. Although he enjoyed the process and would like to do more in the future, he wants to spend some time working on small flips for the foreseeable future.



WHAT'S NEXT?

Craig has now started sourcing for other investors while tweaking his and Martyn's own portfolio.

At the moment, their portfolio is standing still. They're going to be spending some time modernising their earlier properties so they match the current standard of their latest ones.

HMO and property management is dealt with by another of their business partners, Sean Huby. When they set up the lettings management side of the business, Sean oversaw creating computer systems and he now has everything in place. There are separate teams for trades, maintenance and so on, and they are now starting to offer their management services to others. It goes hand-in-hand with his sourcing business, so Craig is able to offer turnkey investments.

For the next two years, they want to enjoy their income. The past two years has consisted of continuous outgoings, and they hope to spend this time to see how much the business can bring in, and then reinvest some of the proceeds into future projects.

They will start pushing projects again next year, as they are still finding plenty of property deals from sourcing. Craig is also establishing a construction business, which finds, develops and manages refurbishments for investors. It keeps their tradesmen busy and also keeps things ticking over in between projects. They aim for a minimum of 30% ROI.

Craig has attended the deal packaging course with Progressive, and through that he worked with a mentor for six months. She was responsible for helping him with the legal side of the sourcing business and helping him to understand how and when to be paid. She even bought his first deal package! He's been sourcing for about five months at the time of writing and is enjoying it. He likes to see a happy investor with a product that's earning them money.

Craig considers his hobby to be his job, because he loves refurbishing houses. However, he always takes Sundays off to spend with his family. He has struggled to find a balance between life and work in the past, but as he aims to move forward with more projects, he is looking to find a project-management solution that will allow him to be a bit more flexible.

GET IN TOUCH

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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



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IN SICKNESS AND IN HEALTH

By **Paul Merrick**

If you're wedded to the idea of a career in property, then you need to be able to recognise when it's time to adjust and adapt. Sometimes even the most experienced investors can be brought down to earth with a bump. Long-term investor and developer and former YPN columnist, **Paul Merrick, shares how an unexpected illness changed his career and life plans ... for better or for worse.**

Let me take you back to Thursday the 6th October 2016. My life was exactly where I thought I wanted it to be.

I remember driving my red Range Rover sport autobiography (one of 12 cars I owned at the time) to Glasgow airport to catch a plane to London. I was a successful property developer, investor and coach. My wife and business partner, Margaret Ann, was back in the office overseeing our property rental business. That business had a profit of six figures and a portfolio of mixed properties, both commercial and residential, that were debt-free.

We were in the process of making two big development deals: one for a 4.7 acre

commercial site we were buying from the local authority. The other was a 1.6 acre site we were buying from Scottish Water. This was a very attractive site. The plots were going to benefit from stunning views across rolling hills to the Campsie Fells. The nearby Carron Valley reservoir is a favourite of walkers and outdoor activity enthusiasts, whilst the historic village of Fintry provides local amenities including shopping and sports facilities. The plots would sit only 14 miles west of Stirling and 22 miles north of Glasgow.

I spent part of the journey talking to my JV partners on the phone about our excitement for this project and how soon we could start the build.

My life was "perfect".



**Paul's wife
Margaret
Ann**

LIVING THE DREAM

"As a young boy from the East End of Glasgow, who started life with no money and even less prospects, this was a world I had only dreamt of. But I was no longer dreaming of it. I was living it."

I had all the cars, watches, material possessions I had ever wanted. I had a beautiful wife who was not only bright and funny but also very capable. Our son was in one of Glasgow's best private schools and excelling academically.

I felt my life could not get any better. I was excited about the latest projects especially the Fintry site that we planned to put five houses on. There was an existing building already on the site that would be converted to two semis, and three large plots where we intended to build four- and five-bedroom detached houses that would be designed by a renowned Scottish architect.



Paul Merrick

As I remember back to that flight down to London, drafting my next YPN article to pass the time, I couldn't have imagined how my life was about to change.

JUST A MOMENT ... AND EVERYTHING CHANGES

I landed at Heathrow airport as I had done many times before and was waiting for one of my colleagues to pick me up. That day seemed just like any other. I was planning to drop off my luggage at the hotel, pick up some provisions from the local shops then have dinner with a few friends.

When we reached the supermarket, I started collecting the items I would need for running that weekend's property training course. We were talking about the 20-plus attendees who would be at the course over the next three days. As I bent down to reach something from one of the bottom shelves, I bumped my head on the way back up. At the time, it did not seem like a big bump. There was no blood or swelling. But I did feel very dizzy. I leaned on the counter and hoped the dizziness would pass. But I still felt very odd. As well as feeling dizzy, I was nauseous, extremely tired and felt very unwell.

I asked my colleague to drive me back to the hotel, cancelled my dinner arrangements and went straight to bed. It was a rough night's sleep with the room spinning every time I opened my eyes. On the Friday morning, I felt no better. I considered going to A&E but there were 20-plus people downstairs who had come from all over the UK to attend my course. Plus they had already paid for the course, their transport

and accommodation. I could not let them down. I delivered the course over the next three days, feeling worse every day that passed. By the Sunday night, I just wanted to get home. I did not think flying with a head injury was a great idea, so asked one of my colleagues from Scotland to drive me.

We arrived in Glasgow in the early hours of the morning and I went straight to bed. I lost most of the Monday to restless sleep. On the Tuesday, my wife took me to A&E where they diagnosed concussion and told me it should pass in a few days.

They were wrong. Weeks later, I still felt the same ... if not worse.

We made an appointment with a private consultant who said I had PCS (Post Concussion Syndrome).

I'd never heard of it before. By this time, I had lost over two stone in weight as the constant nausea made it almost impossible to eat.

How long will this last? I asked. It could be months or even longer, the consultant answered. PCS is a very debilitating condition with many symptoms. In my case they included: headache, dizziness, vertigo, fatigue, memory problems, trouble concentrating and insomnia.

"I can best describe the symptoms as being like a brain fog. At points I thought I may be developing the early stages of Alzheimer's. It was terrifying."

Depression and anxiety soon kicked in and there were occasional emotional outbursts as I learned to live with this frustrating and life-destroying condition.

My work life was over as Margaret Ann took on more and more of the business decisions alone. She had always been a huge part of our success and had, on occasion, taken time out from her own career in communications and campaigning to support some of our larger projects.

My job in the business had been to find the properties, gain planning consent and run the development sites or refurb. Margaret Ann would oversee the office, administration and communications. But as the PCS increased its grip, Margaret Ann had to compensate for my lack of ability to concentrate and my memory lapses. She started to shoulder more of the daily decisions and issues that arise when running a busy business. I tried to help out at home with my son and the housework. But Margaret Ann had always been a better mum than I was a dad.

There are no words I can use that would begin to explain how hard those first few months were for the whole family.

Margaret Ann was a rock and looking back now I see how tough that must have been for her at times. I was lost in my own world of confusion. I had spent my whole life relying on my brain and my wits so it was difficult to adjust to a new reality where my thought processes were slower and I tired easily. I attended the brain injury clinic for some tests, and they told me I now had below average comprehension.



The Fintry development that Paul's illness is forcing him to sell



Artist's impression of the Fintry houses when developed



The Fintry Countryside

They couldn't advise when or if it I would return to my previous levels. As someone who always thought my brain was my best asset, that was hard to take.

There is no real treatment for PCS, it is just a matter of giving the brain time to heal itself. That road, in my case, was exceedingly slow. It felt like I would take three steps forward and two steps back. A never-ending battle with my own dysfunctional mind.

There could be days or even weeks, when my health seemed to be improving. But it would only take one sleepless night or a day involving too much stress to put me back to the beginning again.

A NEW NORM

After several months of learning how to cope with this new way of living, I started to adapt to what one medical professional called "my new norm."

The expectation that the old me was ever coming back was something I spent less and less time thinking about. This was the new me: almost two stones lighter; my mind three times slower and I now had a memory like a goldfish.

THE POWER OF TEAMWORK

Looking back, it seems almost profound that one of the things I taught on my training course was the importance of building your property team. As my ability to work lessened, I had to rely more and more on the people around me. Walter, our architect for almost 20 years pulled out all the stops. Luckily, prior to purchasing the Fintry property (and the fateful London trip), I had managed to build relationships with the planning department and the neighbours to the site. Using that research and those relationships as a foundation, Walter was able to submit the planning application and we achieved full detailed planning for five houses on the Fintry site on the 27th April 2017.

It was an area that had seen few new houses achieve planning in the last decade, making our site even more exclusive and desirable. The thriving community of the surrounding area includes a nursery and an award-winning primary school. The site falls within the catchment of renowned high schools and is also only a short drive from Loch Lomond and the Trossachs National Park. This was going to make selling the completed houses easy. Although I was still slowly coming to terms with my PCS, there was still the hope that in time I could build out this exciting and highly profitable project. We had

calculated an average potential profit of almost £100,000 per house.

As the weeks turned into months, my physical and emotional health was still a roller-coaster. I began to accept that while my health was improving, I was a long way from going back to full-time work or having the amount of commitment or concentration it would take to build five houses.



Paul talking at the West Midlands Landlord Investment Show 2016

By January 2018, my physical health had deteriorated, and I was rushed in to hospital where I had an emergency operation to remove my appendix. My body had taken a beating for over a year because of the PCS. And because I now weighed just under nine stones, what should have been a few weeks' recovery from a routine operation instead seemed to take months.

RE-EVALUATING LIFE

By late summer, I knew it was time to re-evaluate my life. I had been spending much more time at home with my family than I had ever done before. My relationship with my nine-year-old son was closer than it had ever been. I had gained an even deeper respect for my wife's inner strength and true character. Not only was she dealing with my on-going illness, she was also running the business single-handedly as well as continuing her own career – she had successfully pitched a novel to publishers at Bloody Scotland and was writing and editing the first draft.

It seemed that our lives were changing direction. A feeling that only intensified when I lost my mum to cancer in August 2018. I had always lived and worked in the East End of Glasgow, close to my mum's family home. Her passing was the severing of another tie to the area and we decided it was time for a change.

"We moved out of the city and I now spend my day doing the school run and tending the garden."

Retirement is calling but we are going to sell the Fintry development first, and let someone else reap the rewards. We will offer the site as a whole or, for people with smaller amounts of money to invest, we may sell off single plots. Eventually, Margaret Ann will be able to focus on her first love: writing.

And me? I'll become a full-time house husband!

Will I miss my life-long love of property? Perhaps, but I'll still be on a lot of the property social media groups and sometimes writing for magazines like YPN. There will also be the opportunity, as we sell off our portfolio, to help the buyers by sharing some of our 20 plus years of experience. Property is in my blood and I'll always have a keen interest in the market. But the day-to-day responsibility of owning and running a successful property business is no longer for us.

Property changed our lives and gave us a freedom that no other business ever had. Even now at the end of our property career, the proceeds of the sale of the business and the individual properties will give me the financial freedom to enjoy my early retirement.

We had always planned to sell our portfolio eventually, but PCS has accelerated the decision. Property is a business that you can adapt around when you are healthy, well and focused. With a strong team, you can even weather the storms of chronic illness. But sometimes, illnesses and challenges cause us to re-assess our priorities.

When I set off for London two years ago, I had no idea I was embarking on a trip that would change the direction of my life. As I've discovered more about PCS and other chronic illnesses, I've realised that it's often everyday incidents like going to the supermarket or walking downstairs, that can start a chain of events that completely overturn your health, your sense of self and your life direction. But rather than be wary of the everyday, we should cherish it. As Einstein said: "In the middle of difficulty, lies opportunity."

Sometimes, we just need to pause ... to identify and recognise it.

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Dear Property Investor,

There's a huge untapped market for property investors – **businesses that own property or land which you can buy below market value.**

Most property investors only look for 'obvious' opportunities.

“As an experienced property investor I was cynical as to whether Jonathan could show me anything new. I now know how to expand my cash flow by buying property related businesses and have a blueprint for ‘rinse and repeat’ – this is worth any property investor checking out immediately.”

Rebecca Waterfield

But if you are prepared to think outside the box, there is a **huge untapped market** in businesses that own a freehold property or are on land that can be developed.

Often the property and land is **undervalued on the Balance Sheet** – which presents an amazing opportunity for the property developer who has the skills, knowledge and confidence to buy a business (with the land and property thrown in!).

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“I’ve been a property developer for 5 years and I was surprised and excited by the opportunities Jonathan’s Dealmakers Academy brings to my business. The course is loaded with valuable material and insights.”

Chris Price

Watch the video: www.TheDealmakersAcademy.com/property

BROTHERS IN ARMS

TEAMING UP TO DOUBLE THE EFFORTS ... AND THE REWARD

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

Brothers Chris and Anthony Hunter decided to push themselves into property to help support their family. In the past two years, they have gone from strength to strength. We caught up with Anthony recently to talk about what they have achieved so far ...

TELL US ABOUT HOW YOU GOT STARTED IN PROPERTY

Chris bought his first property when he was 19. He left school at 16 with poor grades, and got an apprenticeship as a truck mechanic. He saved his money and bought a three-bed ex-council house in a rundown area of Scarborough.

The house cost £65,000 and he did it up with some help from our dad. It took them nine months doing everything themselves. After it was finished, it was valued at £80,000. He then took a break from property until I was 22, when we decided to buy another one, this time in my name.

We bought a house for £60,000 and did all the work ourselves. We'd factored £4,000 for the refurb, but it came in much higher at £11,000. There was a lot of damp, electrical problems and it needed new windows. We used three credit cards to fund the work, and also a bit of my own savings.

By this point, I had a graduate job for a ventilation company. It was demanding work, and I used to take breakfast, lunch and dinner with me to work. I spent all other waking hours doing up the house, from 6am to 8am, and then 7:30pm to 11pm. Chris was working in York at the time, so he came up and helped during the weekends.

It took us two months to finish it.

Afterwards, it was valued at £80,000, which was enough to get a little out of it and pay off some of the credit cards.

HOW DID YOUR FRIENDS AND FAMILY REACT TO YOU STARTING A PROPERTY BUSINESS?

To begin with, we kept ourselves to ourselves and didn't talk much about it. Our close friends knew we were up to something, but had no idea how much we had done until we'd were featured in the newspaper last year.

Our mum and dad were worried when they realised what we were doing because the

family had a bad experience with property investing in the past. It's taken them about four years, but they've finally come around.

WHAT'S YOUR MODEL FOR INVESTING?

We do a lot of networking and have attended several training courses. We've learned about the many strategies out there, but I just can't get my head around the ones that sound like it's possible to make a lot of money quickly. Making a lot of money in a short period of time doesn't really seem to be a thing that happens.

We picked a strategy that we thought was risk-averse. Our ideal property is an ex-council house in an area with good schools, good bus routes and transport links.

We like to keep it simple. Neither Chris or I are good multitaskers. If we did five different strategies, we would do all five badly. Instead, we decided to put 90% of effort into one, and then 10% into developing another.

Up until this point, however, we've been putting 100% into buy-to-let. We wanted to master this and get our systems sorted. The goal would be to be able to do it pretty much with our eyes closed before moving onto anything else.

WHAT'S YOUR FINANCIAL MODEL?

Most of what we do is repetitive. We like to buy properties that are between £55,000 and £65,000. Refurbs tend to cost somewhere between £8,000 and £12,000 and the end value varies between £80,000 and £100,000. We aim for the house to bring in at least £250 per month when it's rented.





BEFORE

LOUNGE



AFTER

Our target tenants are families. Without being too stereotypical, the ideal situation is where dad works full time and mum works part time so she can claim child benefit and still look after the kids. They're good tenants because they tend to appreciate the house and look after it.

Unfortunately though, they struggle to save for a deposit for their own home so we look after them as best we can. They maintain the house and garden well, because they see it as their own. Some have even put decking in or paved over the garden.

HOW DID YOU OVERCOME THE CHALLENGE OF BRINGING IN EXTERNAL CAPITAL?

At the beginning our refurbishments were financed mostly by credit cards, which was great because as long as I was paying off the debt, the banks remained willing to lend me more money. I'm a huge fan of credit cards, though appreciate this approach is not for everyone.

We now have a lot of angel investors – people who have invested in us as a way of investing in property, and we give them fixed returns. When we first started, it was a low amount to a high percentage, as we were considered a high risk. As time has gone on and we've gained experience, we've been able to go from offering a rate of 12% to 6%. So money is becoming a bit cheaper and it's coming in in bigger amounts.

Most of our finance has come through networking and telling people what we do. We have quite an active Facebook page where we post about our deals and projects. We used to scurry around looking for people with money to invest, assuming they would be walking around with a gold cane and a top hat, but in



reality they turn out to be the ones you least expect. We received a significant amount of money from someone who I thought had barely a penny to their name.

90% of our funds come from external sources and we managed to buy 12 properties last year. It was a good year for us, but obviously quite a costly one.

WHAT WERE YOUR MAIN MOTIVATIONS FOR GETTING INTO PROPERTY?

Our portfolio is now worth over a couple of million. But the more money we've been making, the more I think that it's not about the money, it's about the time. I want to be able to spend time with my other half and playing golf.

"I wanted a nicer quality of life. And time is always a depreciating asset you can't get around."

Growing up, we weren't poor, but we weren't rich either. We were normal. That can actually be quite dangerous because it's easy to get comfortable. Stepping out of the expected career path is easier when poor as there's nothing to lose, whereas in the middle, there's no real reason to change anything.

When we started telling our family we were going to be a bit more aggressive with the property purchasing, they kept asking us when we were going to get proper jobs. They've accepted that we're making good money now, but four years on my Grandma still asks me that question.

HOW IS IT WORKING SO CLOSELY WITH YOUR BROTHER?

We are complete opposites in terms of personality. Chris is detailed and analytical, whereas I'm a motivated idiot. I get excited easily and throw deal after deal at him. We're both hyperactive, he has ADHD and I have ADD, which makes things interesting. And we're both dyslexic, but those are probably the only similarities we have.

AT WHAT POINT DID YOUR PROPERTY START EARNING YOU A FULL-TIME INCOME?

Probably around two years ago. But circumstances always change and the amount needed to live and to cover bills has crept up. My financial freedom figure was always a bit higher than Chris's, and his has jumped from £1,400 per month to £2,500 over the past two years.

It's important to understand the three levels of financial freedom. First there's financial freedom, where I don't need to go to work and still have all my bills covered. Then there's financial independence, where I have enough money to go on holiday four or five times a year without using credit cards, and finally financial abundance where there's no need to check the account.

We've hit financial freedom, but are not yet at the next level where we would feel comfortable taking a lot of money out of the portfolio. At the moment we're 27 and 29, and don't need to take any money from it. We prefer just let it run and accumulate in the background so it's ready for when we do need it.

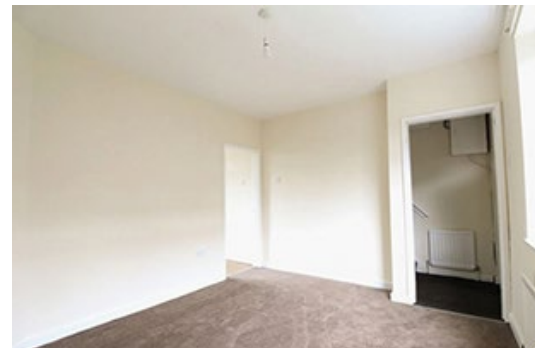


BEFORE

KITCHEN



AFTER



DO YOU BALANCE PROPERTY WITH ANY OTHER WORK?

Chris works part-time and does quite a lot of property speaking and helps run some courses; I have a couple of ventilation franchises. We both enjoy what we do and are in a blessed position where our hand hasn't been forced. A lot of the people we have spoken to in the property circles needed to get out of their job because they hate it. But we both absolutely love what we do.

I'm a little bit crazy when it comes to juggling my time. I split my time into half-hour slots and write out the full day, every day.

But we have given ourselves roles within the company and catch up twice a week so we can each see what we're doing. I'm a bit of a control freak and if I realise we're doing things too similarly, I'll research a system to replace it. We've uploaded all our documents to the cloud, so in theory, we can find anything in 30 seconds or less.

I don't like having to be organised because it doesn't excite me and it's really boring, but it does, however, make life so much easier. You just have to split up and manage your time.

I need to micromanage my time, because it's easy to fill the days up with only the exciting jobs. When something good comes up in one business, I find myself disregarding the mundane parts of the other. We've got three purchases going through at the moment, so I'm very excited

about that. But filling out the paperwork is very boring. It's easy to neglect the boring stuff when something exciting comes along, so I have to be disciplined.

HOW DO YOU MANAGE THE DAY-TO-DAY RUNNING OF YOUR PROPERTIES?

I want to get a lettings agent, but Chris feels that's too easy. We do use an agent to find tenants and do all the checks, though. To monitor management, Chris records how many phone calls he gets from tenants.

We give them all a handbook when they move in and they can usually an answer to their question in there, so in fact Chris only gets one or two calls from a tenant per month.

Chris manages the portfolio, and he loves it. I think that's weird, because

I could not think of anything worse. We've made the decision that he'll do it for as long as he wants to. I'm a big fan of not doing something that I don't enjoy, so the second he doesn't like it, we can employ someone to do it.

DO YOU MAKE TIME FOR YOURSELF AS WELL?

I'm a lot better now than I used to be. Up until a year ago, I worked seven days a week. My other half asked me one day why I planned every minute of every day but still couldn't find time for her. I now have slots in my diary where I turn my phone off so that I can be with her properly without distractions.

I like to play golf and cricket when I get a chance, and also go running which helps me switch off. It's the only thing I've found that helps me turn my brain off. I'm getting better as I'm getting older, though.

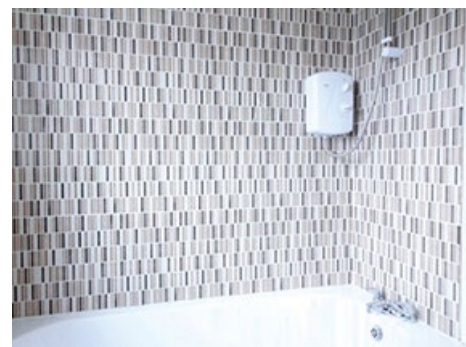
WHAT'S NEXT FOR YOU?

We've started to look at commercial developments. We've looked at a few pubs and some offices that we can turn into flats.

The next step for us is that instead of buying 12 houses a year, we buy about six and then do a commercial development of six to ten flats and dip our toes into the water.

One thing we've always said is that we have the systems in place and also have good relationships with tenants and agents. We'd be stupid if we didn't keep ticking over on the BTLs, even if it is only six per year.

We're going to keep on with the BTLs and accumulate them, but I'm getting slightly bored. My attention span isn't great. It was really exciting at the start, and I still love it, but I just need a little more excitement. I want to chop up some pubs!



GET IN TOUCH

Facebook: **Chant Properties**

Website: **www.chantproperties.co.uk**

You can also find Anthony at any of the North East property events and Chris at the Leeds and Yorkshire-based meetings.

Click here to listen to the full interview



PROPERTY HORROR STORIES

PART

6

By Richard Brown
aka



DISTRUST-A-TRADER.COM ...?

Next up in the horror stories mini-series: tradespeople. I may feature valuers, professional advisers or even our fellow landlords next, so do share your stories.

We are likely to encounter at least the following categories of tradesperson: builder, bricklayer, carpenter, joiner, plasterer, plumber, heating engineer, electrician, painter/decorator, flooring fitter, door/window fitter, roofer, gardener/landscaper and general labourer ... phew that's a lot!

So, what could possibly go wrong when trying to herd 13 or more different trades on our projects?

Let's begin with a couple of stories courtesy of Ian, a fellow investor and friend of mine. In his own words ...



FALSIFIED INVOICES

My property manager was a rather large lady who also occupied the ground floor flat in the block of flats. Whilst above and beyond the call of duty for her to stress test the floor joists, she did so involuntarily. Unfortunately, the woodworm had been busy over the preceding fifty years, and the floor was unable to withstand this final onslaught.

Luckily, she didn't sue me. But my sympathy was limited because I had discovered that she was making extra cash from tradesmen at my expense. She would regularly find problems, which various tradesmen would quote for, and would arrange a profit share deal where the inflated price would be split between them. This even extended to the window cleaner, which is how I found out.

He told the neighbours that the mad woman at No. 14 would ask for inflated receipts for cleaning the windows every fortnight, even though he only came once a month and charged half the price. The window cleaner couldn't understand why she would go to all this trouble and risk losing her job for literally a couple of extra quid a week. It's no wonder she didn't sue: I was much more valuable to her as an extra income source.

Lesson learned: keep tight control of the cash, get a minimum of three quotes for large jobs and pay the tradesmen directly in certain cases. An extra one from me, how often do you really need to clean the windows?

INCOMPETENT PERSON SCHEME

Then there was the electrician who was a member of the Blackpool Council Recommended Trader Scheme. He quoted for fitting card prepayment meters in each of the flats and to certify the electrics and fire alarm. Again, the cost increased when he suddenly discovered that most of the ground floor needed rewiring. "Oh well, at least the electrics will be safe," I thought.

I rapidly changed my opinion when one of the occupants noticed smoke coming from the meter cupboard. Fortunately, it didn't turn into a full-blown blaze, but another electrician was urgently deployed to fix the first electrician's work, at my expense. Electrician Number One, let's call him Sparky McScorch-Face, was recommended by my accountant and is still on the Council recommended contractor list. However, I can find nothing on his invoices at the time showing he was a member of a competent person scheme.

Lessons learned: always check a tradesman is registered, for electricians use www.electricalcompetentperson.co.uk, for gas it's <http://www.gassaferegister.co.uk/>. Trust your gut, not just council websites or recommendations. This guy could talk for England, and was in the property for hours but there was something not quite right about him ... I couldn't quite put my finger on it. Maybe he didn't ask all the relevant questions, seemed just a bit too keen for the work, and didn't seem busy enough to leave promptly. Get a fixed quote and a signed contract for any work, especially if it's over a couple of thousand pounds. For any major works, always keep a snagging retention too. It's amazing how a signed contract and retention can concentrate the mind of any tradesperson, and there's total clarity over the scope of the works too.

TAMPA BAY ROWDIES?

This one comes from my USA developer pal, Eugene...

During a refurbishment of a property in Tampa, Florida, we hired a contractor to fit the house with a Heating, Ventilation, and Air Conditioning (HVAC) system, complete with external unit and internal duct work.

We agreed 30-day payment terms upon receipt of invoice, although on reflection that may have been our first indicator of potential problems, given the arduous nature of arranging such payment terms. Whilst we usually part-pay some money up front and then clear the balance on delivery or completion for our flipping projects, we were pressed to ask for terms on this occasion, due to a delay in the closing of another property.

As with all our other projects, we gave the HVAC installation company the combination code to the lock box that contained the keys to the property, so that we didn't have to be constantly onsite.

The installation was nearing completion when we hired another contractor to frame and drywall the internal duct work. Given this overlap the HVAC installation owner was under the mistaken impression that they were paid upfront and so felt slighted.

She made a call on a Saturday evening requesting full and immediate payment, threatening that she would get her team to remove the work that was done. Although we did have the funds available by that time, it made no difference. On inspection the following day, we were met with a gutted house and the HVAC unit outside had been removed. Although we had a written contract, you cannot legislate for such behaviour. We are currently in the process of assessing our legal alternatives and the cost/benefit ratio of taking legal action.

Lesson learned: cash is king ... or rather payment to tradespeople is. If they balk at payment terms, it's best to not push them too hard or they might just snap. Be personable and keep tradespeople in the loop – it can help to avoid a misunderstanding.

WHEN BODGEIT & SCARPER WERE REPLACED BY DETAINEE

Damien was managing an out-of-area project when the general contractor, let's call them Bodgeit & Scarper, left site abruptly, never to return. We managed to find a replacement, who we shall call De Tainee, who began completing what Bodgeit had started, only to also disappear quite suddenly.

We later discovered he was a guest at Her Majesty's Pleasure and so was unable to finish the job for around 28 days, apparently. He then relayed a message to say that he could come and complete the job, provided someone could drive him ... and whether his electronic tag would allow him!

Lesson learned: a new area represents higher risk of tradesperson let down; try to build contacts and relationships in advance, then stick with an area and team if you can to reduce the risk of being let down.



A JEKYLL & HYDE TALE

Equally, Rod manages some of our projects. He told me how one Jekyll and Hyde character would be as nice as pie during the day, but would abruptly turn into a ranting, abusive lunatic at night. He would frequently send a flurry of abusive, insulting and offensive text messages, including threats to burn down our property if we did not release the retention for the work that he had botched and had not completed. The next day he would apologise and blame the sauce he had been on the night before.

Lesson learned: switch the phone onto Do Not Disturb mode before the watershed!

STEPS TO TAKE TO HELP PROTECT OURSELVES

- **Tradespeople are often good at their trade but often not so good at managing people, processes and business systems. If you want professionalism, either go with experience or size ... both of which cost more and are less available than we might ideally want.**
- **Attention wanes as the job nears completion. Try and hold back some of the payment as a carrot, or possibly to pay someone else to complete the job.**
- **Personal recommendation and referral trump trader listing sites, Yellow Pages and Google.**
- **Check for qualifications, industry/trade membership and public liability insurance.**
- **Ask introducers or agents if they take any form of direct/indirect payment from tradespeople. Some disclose it, some don't, whereas some have a handling charge.**
- **Have a written agreement. You can set out the basics of the agreement in a few key bullet points in an email exchange. List dates, progress payments and conditions, scope/specification of works, labour and materials, pay rates, exclusions and finally any retention.**
- **Remember, tradespeople often need to buy materials and pay staff, so do not stretch them on their payment terms. Finally, avoid cash in hand if you want any form of guarantee or recourse.**
- **If you are not present, or not confident, get proof of completion of work where possible, such as signed delivery, certificates, pictures or video.**

As I reflect on my own experience and those of my buddies here, one consistent theme emerges. Tradespeople, in a surprisingly large number of cases, seem to be unreliable and let you down somehow. I think this goes back to the point made earlier: trades are usually good at their trade but often not so good at business.

You do get what you pay for and if a tradesperson is freely available in these days of skills shortages, you have to wonder why. My golden rules are to find good people, pay them on time and then stick with them!



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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10 AGENTS IN 1 HOUR

HOW I MADE THE AVERAGE UK ANNUAL SALARY FROM JUST 1 HOUR'S WORK!

By Chris Peel



What a title, eh? And what a claim! Is it really possible to make £20k+ from a single hour's work?

Well ok ... let me come clean. There was some work to do **AFTER** that hour – but just one hour, or 58 minutes to be exact, was all it took to open the door to making an extra £20k per year.. And that is genuinely conservative from my experience.

So what exactly am I talking about? Let me set the scene ...

My name is Chris Peel. I run serviced accommodation businesses in London and Glasgow (a couple of my case studies were featured in the September issue of YPN), and HMO businesses in Bedford, Luton, Hastings, Rochester, Derby and Leicester. I'm based in Harpenden, but the reason I'm able to work so widely is because I work with local JV partners in each city. These partners run the day-to-day operations while I provide finance and help with sourcing, set-up and scaling the businesses.

To make sure we're all on the same page, I hold mastermind days for myself and my JV partners from around the country to come along, share ideas, present their specialist knowledge to the group. We also create growth plans for each of the businesses we operate, so that we can check in on our progress and hold one another accountable at the next session.

My business partner in Bedford is Toby. At the time of writing, our company, P&H Homes, has eight rent-to-rent HMOs up and running, producing a cash flow of around £6,500 per month. At the last mastermind day, our target was to add an extra two properties to the portfolio within four months.

However, thanks to one hour's work, we very soon had four deals on the table and two offers accepted, with a forecasted combined cash flow of £1,700 pm. Even more exciting, I connected with the national director of a high street agency who was keen to work with me in multiple locations across the UK.

A SYSTEM FOR CALLING LETTING AGENTS

Now, do you want some good news? It was super easy! All you need is a system to approaching the phone calls, which you can follow.

Do you want some more good news? I'm going to explain this system to you ... right now.

If you follow this system, before you know it you could have more R2R deals than you know what to do with.

So let's delve right into it.

1 Do your homework

Start by searching on Google for the top ten agents in the area that you want to work in. Make a list of their

names and numbers (told you it was easy!). Ten is a good number because it's manageable within an hour if you stay focused.

2 Search the agency websites

Go on to the websites of the agents you're interested in working with to look for the right kind of property. Don't worry if it's not perfect. Just because you call them about it doesn't mean you have to take it, it's more about opening the dialogue and building a relationship.

3 The Golden Hour

Now comes the Golden Hour. Once you've got your list (and no, I don't count steps one and two as work, because you can do it while sitting on the sofa watching Lord of the Rings – other films are available) you need to block out an hour.

This sounds simple I know, but I mean a focused hour. An hour where nobody will distract you. Switch off Facebook, the TV, your email. All you want is your phone, your list of agents' names and numbers with notes of any interesting properties you could enquire about, and a laptop to check any details you may discuss with them.

Everything else must be turned off. Lock yourself away if you have to. Ten calls in an hour may sound easy but that means it's just six minutes per call.



Once you've scheduled your hour and prepared for it as described above, pick up the phone and start calling. The biggest objection I hear from my private mentoring clients at this point is: *"but, what do I say?"* So let's lift the fog on this dark art of Agent Whispering.

When the phone rings, they will answer with the name of the lettings agency and sometimes their name as well. Then silence. It's over to you. I would urge you at this point to do everything you can to sound friendly and warm.

We're trying to build a connection with these people, so introduce yourself.

For example, I say something like:

"Oh good morning (their name), my name's Chris, how are you doing today?"

If they are a friendly agent, you might get a bit of small talk at this point, so if they want to chat, just go with it. If not, they'll probably give you a short polite answer. If that happens, it's cool, just finish introducing yourself.

Next, where are you calling from and what's the purpose of your call? Now if you're calling about a particular property (that you found in steps one and two), that's the obvious way to direct the call and you're into your pitch. **BUT!** There are three critical things you need to be able to do in the next few minutes to get that agent on board with working with you for rent-to-rent:

1 Build Credibility

2 Build Rapport

3 Overcome Objections

CASE STUDY 1

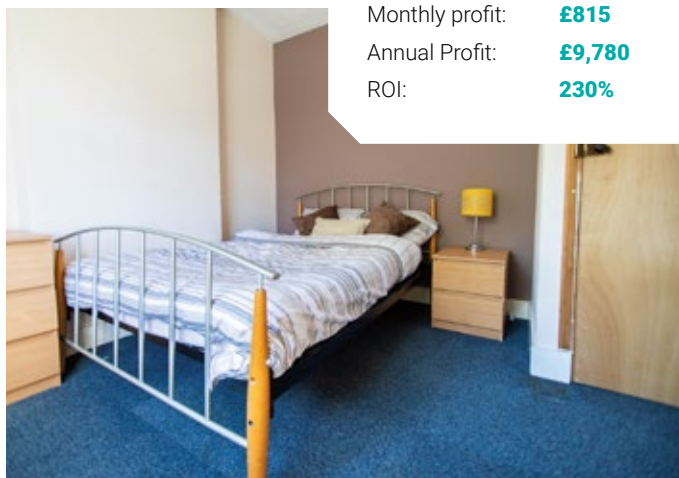
90 Newnham

UP FRONT COSTS

Deposit:	£1,050
First month rent:	£1,050
Refurb:	£830
Furnishings:	£605
Agent fees:	£300
Total up front:	£4,235

CASH FLOW

R1:	£495
R2:	£395
R3:	£425
R4:	£450
R5:	£500
Total Rent Roll:	£2,265
Rent to landlord:	£1,050
Bills:	£400
Monthly profit:	£815
Annual Profit:	£9,780
ROI:	230%



CREDIBILITY

It's imperative when talking to agents to come across as credible. Too much falling over your own words or not getting to the point and you give them no confidence. This is influenced by a number of things from the tone of your voice, the confidence with which you speak, even knowing the names of other agents in the town.

Have your list handy to reference the other agents you're talking to. I tend to find lettings agents are pretty competitive, so anything that can bring that out of them is perfect. If you can name-drop the names of other agents you're already talking to and create some scarcity, the tone of the conversation can flip. Instead of trying to convince them why they should trust you with the properties they look after, they will be trying to pitch you on why they're the right person for you to work with.

RAPPORT

Have you ever had a call where you finished it and just liked the other person? Have you also noticed that when you like the other person you're generally much more willing to try to help them? Yeah me too! And guess what ... agents are people just like you and me, and have these exact same feelings. So be nice!

I don't care if you're having a terrible day, you're fed up with agents rejecting your approach or you're just tired. Be nice, be lively, make them smile and feel valued, and I guarantee your results will improve. If you're funny, test the water with it. Try and make them laugh with goofy comments. If you're not a natural comedian then don't worry about it, just stick to being a nice person that others would want to help.

If you manage this, agents are going to look forward to calling you to tell you about the new property that's just coming onto their books far more than if you're a misery guts. And that means you're far more likely to hear about the deals before everyone else. In the audio recording of my cold calls, I had an agent go from unsure and sceptical to offering me a property that isn't on the market yet just by following these steps.

OBJECTIONS

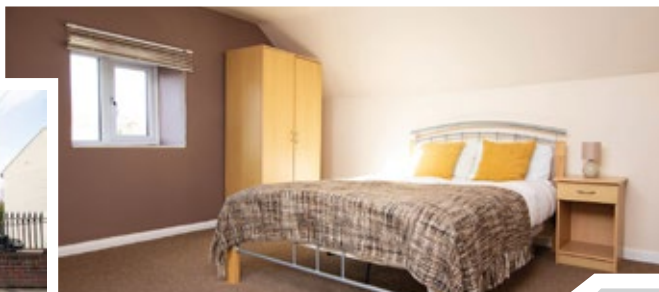
Sometimes, agents have bad experiences. I'm going to do myself and everyone else in the world of R2R a favour and say if you don't plan on looking after the property as if it were your own, then please don't get into this industry. So many agents are wary of honest, decent operators based on bad prior experiences with rogue landlords.

CASE STUDY 2

102 Tavistock

UP FRONT COSTS

Deposit:	£1,550
First month rent:	£1,550
Refurb:	£750
Furnishings:	£565
Agent fees:	£400
Total up front:	£4,815



CASH FLOW

R1:	£495
R2:	£495
R3:	£495
R4:	£475
R5:	£475
R6:	£550
Total rent roll:	£2,985
Rent to landlord:	£1,550
Bills:	£480
Monthly profit:	£955
Annual profit:	£11,460
ROI:	£238%

Nevertheless it's a fact that some had bad experiences in the past, and no matter how credible you sound and how much of a funny, nice person you are, the word "sublet" will still make some agents shiver.

Even if I do the most perfect introduction, name drop the agents I'm already working with, make them laugh and feel valuable, they will still have a host of questions for me when I come to asking them about which properties I could have. But if we know the questions, we can prepare ourselves, right?

So here they are ... the most common objections from agents:

- 1 Who will be living there? (Hint: don't say DSS)**
- 2 Can you provide references?**
- 3 Sorry we don't do that. (There's always more to the story so probe)**
- 4 Who's responsible for damages and maintenance?**
- 5 Who's responsible for the tenants?**
- 6 Is it subletting?**

If you can prepare your answers to these common questions before you're on the call, you will answer them more confidently and build that credibility.

Once you've built credibility, rapport and answered any immediate objections, steer towards the outcome you want. If you're calling about a specific property, ask to book a viewing. If you called to try and get the agent on board without a particular property in mind, think how you can continue to build the relationship with that agent.

FOLLOW UP

The next logical question is what do you do if they don't have anything available right now? It's actually really simple. You follow up ... regularly. We aim to check in with our list of agents each week, just to see if there's anything new come on the books and to remind them that we still exist.

And what about the ones who flat out aren't interested? Firstly, I'd try to make sure it's not just an objection that they haven't aired, so interrogate a bit and try to find out why. If you're still hitting a brick wall, you could try escalating it to the branch manager to discuss it with them, because it may be the case that the first agent you speak just doesn't have the authority to make the decision about working with you.

One thing I would urge you not to do though is waste time on a dead lead. I know for sure that if you follow the process I've described and use some of my stock phrases and presentation style from the audio (see side panel), you're going to have more agents than you know what to do with as it is, so don't waste time chasing an agent who isn't interested and neglect the nine who are.

Since the time of writing this article, Chris has added three properties to his portfolio in Bedford all stemming from the single hour's work following the ten agents process, taking the total to 11, with two further offers still on the table which combined could generate over £45k pa.

READER OFFER

It's all very well describing this to you, but wouldn't it be better if you could hear it in action? The phrases used, the way the ideas were presented, and the answers to all their questions?

Well, I have prepared something very special for the readers of YPN. I have a one-hour recording available of myself following this process with ten agents. This was the hour I mentioned at the beginning of the article, that resulted in nine agents wanting to work with us, the national director of one agency wanting to open doors in each town for us, and four deals being presented, two of which we offered on later that day.

After a bit of arm-bending I have agreed to make the audio available to YPN readers for just £397 + vat. If you would like to receive access to this, just send an email to my team info@cdpproperty.co.uk with the subject "10 Agents", and your name and phone number in the email and we will get in touch to make a link available to you.

CONTACT

For more about Chris and his training and mentorship products through Property Abundance:

Email: info@cdpproperty.co.uk

Or join the Property Abundance Community Facebook group:
bit.ly/propertyabundance

You'll hear more from Chris on serviced accommodation and HMOs in future issues of YPN and on YPN Extra webinars.

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Investor Relations Coordinator



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Introduction to... **EXTENSIONS**

LAST IN SERIES

Interview & Words: **Heidi Moment**

This month, Martin introduces us to adding value and getting extra space through building an extension.

WHAT DO WE MEAN BY EXTENSION?

A simple extension is a brick-built structure with a flat or pitched roof, normally on the back of the house. Subject to planning permission it might wrap around the side of the house, extend across the back or even go up two storeys.

WHEN WOULD YOU CONSIDER DOING AN EXTENSION?

Whether you are doing an HMO, a flip or you want to extend your family home, an extension is well worth considering if you can get one or two additional rooms, as this will generally add value. It's important that the room is sensibly sized and usable, such as an extra bedroom.

WHAT'S YOUR STARTING POINT?

Start with some simple research. Look at the other houses in your street and local area. Have any of them done an extension?

If they have, you can get their planning drawings from the planning portal, which will give you some ideas to discuss with your architect.

Always take advice from an architect. Architects are visionaries. They are creative and detailed and will design your space to have maximum liveability. They will be able to advise exactly what you can do to get the best out of your property, as well as highlighting any limitations.

"An extension can be a complicated way to add value to your property, but you get a greater return on your investment as a result"



WHAT ARE THE KEY FACTORS TO CONSIDER?

PERMITTED DEVELOPMENT

Under permitted development, you can generally come out three metres at the back on a semi-detached and four metres on a detached, which makes for quite a big extension. But be aware this only applies to residential houses. Not flats and not sui- generis HMOs.

In theory you don't need to submit an application, but I advise you do to ensure you are completely compliant, which you will need to be if you are planning to refinance or sell the property at some point further down the line.

"PD allows you to come out 3 metres on a semi and 4 metres on a detached"

In most areas, if you build on the side, you will need to put in a full planning permission application. As always, take advice from your local authority and work with a local architect. They'll tell you what you can and can't do in your area.

Be careful not to overdevelop. If you're selling, you don't want to be the biggest house on the street as it could make it difficult to sell. Just because you can extend, doesn't mean you should or that it's the best thing to do.

ACCESS FOR THE BUILDERS

If there's no access to the back except through the house, then your builders will have to do all the digging using hand tools, which is not only more expensive, but it takes longer. You also run the risk of damaging your interior due to having to carry all the materials through the house, and you may find builders are less interested in pricing your job because there are easier jobs elsewhere.

DRAINAGE

Try to work out where your drainage is. Frequently drainage runs quite close to the back of the house, which means you could end up with pipework and drains underneath your extension. Now, no-one wants a manhole inside their house, so you may need to divert the drainage pipes and move the manhole.



Some of the drainage pipes might be taking your neighbours' drainage too, so you may need to take advice from the local drainage company just to understand whether you can build over these pipes or whether you need to improve them or upgrade them in any way before you build over them.

Different water authorities have got different rules and regulations about building over pipes. You're looking to get a build over agreement of some nature, so you need to start by getting hold of the water company and drainage company to see what you can do.

All this will add extra time and cost to your project, so bear this in mind at the beginning to see if it is worth it.

BI-FOLD DOORS

Architects love bi-fold doors, and yes, they look lovely, but they are disproportionately expensive and from an investment perspective, probably not a good return on your investment. They are great in your own house, but are quite expensive to put in, as you need a big steel across the back of the house to hold up the wall so that you've got this big expanse open when the doors are all opened up.

Because of this, I wouldn't generally recommend them for investment properties unless you're at the higher end of the market and are extending to sell. Instead I recommend looking at traditional French doors and if your space is really wide then two pairs of French doors next to each other would work just as well and would cost you a lot less.

SKYLIGHTS

Extensions on the back of an existing house can often result in dark points in the middle of the house. Your architect will help you to bring in additional light by considering things like roof lights and skylights. Velux sloping lights are popular in extensions, or if you want to go a bit more upmarket you can get lantern lights, which can be really ornate and come in lovely pyramid shapes, which look great and really help to make the room light and bright.

ADDING A SECOND STOREY

Extending upwards is easier to do on the side than it is on the back, due to the position of windows and layout of rooms, although it's not impossible to extend at the back too, but it may mean a bit of rearrangement.

One other challenge with extending upstairs is problems with your neighbours' right of light, which includes sunlight as well as light in general. So if your two-storey extension is going to block the amount of light that comes into their windows, they can have a claim against you. Your architect will be familiar with this and will draw up the plans to make sure the neighbours aren't losing their light.

It's also worth talking to your neighbours about what you've got in mind. Having the conversation early will help you to manage their expectations and requirements rather than hitting problems after the build has started.

OTHER THINGS THAT ADD COSTS:

Don't be caught out by extra works that can easily add another few thousand pounds.

New patio

Don't forget that if you're extending the house backwards, you will invariably take out the existing patio, so will need to build a new patio or put in some decking.

Reconfigure paths

You may need to change your path network to go around the extension. This could mean taking out shrubs, bushes and trees and relaying a new path.

Nice garden

There's no point spending money on a nice extension if it goes out on to a muddy garden that the builders have churned up, particularly if you're selling it. So always factor in some work to the garden in your initial spec.

Changes to the interior

Adding an extension will disrupt other rooms in the house. There's no way around it. Always factor in having to spend some money to get the interior fixed up again. Also if you are living in the house it's useful to bear in mind the level of disruption, particularly in a key part of the house, such as the kitchen. Could you eat takeaway food for three months?

WHO DO YOU NEED TO HELP YOU?

AN ARCHITECT

Your architect is the key person to help you with all aspects of planning and design. A good architect will bring in the other people you need too.

Remember, you still need to think about the rest of the interior. Kitchens, paint colour, floor finishes, electric layouts, radiator positions and things like that. Your architect won't decide these things for you.

Also remember, many architects aren't property investors, so you may need to steer them to help them understand your requirements, especially if it's an HMO.

BUILDING REGULATIONS

All extensions now come under building regulations. Your architect will advise on requirements as well as doing the drawings and helping you to make the application.

“Extensive structural works may make your extension unviable”

STRUCTURAL ENGINEER

As part of the building regs application, there's likely to be some structural design. My advice would be to talk to a structural engineer really early in the process to establish whether the structural works are going to be simple or extensive. Extensive works may make your extension unviable.

PARTY WALL SURVEYOR

It's really hard to build an extension on the back of your house without needing to get a party wall award. There are often two elements to this:

- **Building on the party wall line, by taking a fence down and building a wall in its place.**
- **Digging within three metres of any of your neighbours' foundations.**

Always double check how close you are to your neighbours to establish how your works are affecting their property.

BUILDER

Choose a local builder for this. Preferably one who has a team of tradesmen (electrician, plasterer, joiner, brickie, painter etc) and will manage the whole process for you.

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!



HOW MUCH DOES IT COST?

Some ballpark figures:

- **Building work: £1,400 - £1,600 per sq meter**
- **New kitchen: add £3000 - £7000 depending upon the size**
- **UPVC bi-fold doors: £2500**
- **Aluminium bi-fold doors: £6000+**
- **Rooflights: £1,000**
- **Skylights: £2,500 - £5,000**
- **New manhole: £1,000 plus modifying pipework £1,500**
- **Party wall award: £750 unless your neighbour contests it in which case £1,500**
- **Permitted development application: from £200**
- **Architect: £1,000**
- **Structural engineer: £750**

HOW LONG DOES IT TAKE?

Expect your extension to take four to six months or more.

ANY SAFETY ASPECTS TO CONSIDER?

As always you will need the right expert for all the gas and electric and you'll need them to provide the necessary certificates.

An extension is run of the mill type work that most builders will do on a frequent basis but remember it is a proper building site, so your builder is responsible for the health and safety so always meet him when you go to site.

Click here to listen to more from Martin

CONTACT

Contact Martin with any questions you have regarding refurbishments.



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

GET IN TOUCH FOR:

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

COULD MODULAR HOUSING SOLVE THE HOUSING CRISIS?

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

Affordability, housing stock and speed of build is a UK-wide issue. A new Prop Tech solution, in the form of modular housing, could help to address these problems.

WHAT IS A MODULAR HOME?

A modular home is built offsite, usually in a factory-type setting. They are also known as prefabricated, system-built or factory-built homes.

Modular homes are typically completed in just a few weeks since they are built indoors. Comparatively, traditional constructions take a couple of months.

HOW ARE MODULAR HOMES CONSTRUCTED?

Modular homes offer various personalised features. These can include solid-surface countertops, ceramic floors, different cabinet styles, wood types, plumbing fixtures, exterior finishes and much more.

The construction of these factory-built homes begins in sections that are made in a climate-controlled environment. The finished products are sent to the building site and then, with the help of cranes, are assembled.

Foundations are dug and prepared by skilled tradespeople, who also coordinate with the utility providers to ensure that all the services are in place for the final structure to be positioned.

The work of exterior cladding begins in the factory and, in some cases, can be completed onsite along with plastering and painting.

It's important to remember that building regulations and planning permissions are still required for modular homes, just as they are for traditional homes.

ADVANTAGES OF MODULAR HOMES

Modular homes are increasing in popularity because of the numerous advantages they offer. Let's take a look at some of the benefits.

Environmentally friendly and efficient.

Modular homes are typically created using recyclable materials. Meaning that once their functional life comes to end, they can be recycled once more and used again. Traditional homes mostly make use of non-recyclable materials.

Moreover, the factory-controlled construction reduces the amount of waste as the exact quantity of material is ordered throughout the process. Since the construction time is shorter, energy consumption is also reduced across the entire cycle.

Apart from being environmentally friendly, modular construction involves the use of lightweight materials such as steel frames. These provide robust load-bearing wall structures, ceilings, and floors that can be used for both single and multi-storey homes, making the whole process of construction quite efficient.

Sustainable designs. Modular construction companies employ forward-thinking methodologies that make the entire construction cycle effective and efficient. From the use of locally sourced sustainable materials to improved thermal performance and heat retention, a unit that is completely volumetric can meet the exact specifications accurately. Integrating for future progress also becomes possible, for instance, adapting for the use of renewable sources of energy.

Replicate real houses. Modular homes can seamlessly fit with traditional homes in the nearby vicinity. Whether roofing material or cladding, many options are available to give modular-built properties the look and feel of a traditional home.

Highly-skilled workforce. Construction of modular homes is done by highly skilled specialists who have a long-established and robust supply chain, thus reducing dependence on subcontractors.

Space is not a constraint. Modular homes can be built in less time and at reduced costs, but that does not mean that they have to result in identical tiny boxes. Architects can overcome any limitations of tight space requirements, particularly in inner parts of cities, while constructing a great quality and uniquely designed modular home.



Health and safety. Since the construction takes place in a controlled factory setting, the whole process is safer for the workforce. The amount of time spent on high-risk practices, such as construction at excessive heights, reduces considerably. Moreover, working with prefabricated modules onsite is likely to result in a more efficient and controlled building environment.

Save money and time. By manufacturing homes indoors, the construction doesn't get affected by weather conditions. Hence builders can save both time and money.

Apart from that, stringent manufacturing processes and the ability of the workforce to build with precise specifications will also help to save time, as issues can be both identified and rectified faster than they would with traditional construction. Moreover, a third-party inspector will carry out inspections at the factory during all phases of the construction, which means they are finished before the homes are transported to their designated locations.

Less disruption to residents. Factory-built modular homes cause less disturbance to local residents, which also appeals to local councils.

Easy to maintain. Modular homes are less expensive to maintain due to the superior construction quality and factory fittings. The cost of heating and cooling is lower thanks to air-tight construction, which means that the homeowner will save money on energy bills.

THE DOWNSIDES ...

However, like everything else, modular homes do have a downside. The biggest stumbling block with this type of construction is the availability of lending options. Although more lenders are coming on board with lending for modular homes as their appeal widens, current options are still quite limited.

THE PROS OUTWEIGH THE CONS

There is no doubt that modular homes can be completed faster and at a more affordable cost when compared to traditional homes. With an efficient and affordable method of construction that includes modular rooms, lightweight structures, self-contained bathroom pods for both single and multi-storey properties, the benefits outweigh the disadvantages.

And to top it all off, further use of Prop Tech makes these homes even more desirable.

MODULAR HOUSING BECOMES A PLUG-AND-PLAY WITH PROP TECH

Due to the ease of construction of modular homes, people want to incorporate new technologies in the build phase.

The use of Building Information Modelling (BIM) is particularly beneficial for modular housing since there is little scope for error, and the design must be finalised in the early stages of the process. For instance, BIM can provide the level of detail required while working in a limited space, which can help to avoid costly miscalculations.

Additionally, BIM can be used for scheduling building materials, and allow the facilities manager or end-user to keep track of the information about the building for maintenance purposes. Where certain design elements are used repeatedly, BIM ensures that the required data remains in the builders' systems, and is therefore easily available for future projects.

BIM enables a greater overview of the entire project while making it easier to eliminate inefficiencies and reduce unwanted costs.

Other technologies such as virtual reality (VR) and augmented reality (AR) play a significant role in the growth of modular housing as well. VR has changed the way consumers interact with properties. It has made collaboration and communication easier at all stages, streamlining the review process.

MODULAR HOMES ARE THE FUTURE OF THE UK PROPERTY MARKET

Modular housing has brought about world-class manufacturing methodologies in the UK's construction industry. These new techniques have not only improved the quality of the end product, but also increased the level of productivity.

Instead of laying bricks and pouring concrete, parts of the modular home are built in a factory and transported to the destination where the final assembly takes place. The final product can look very like the neighbouring homes if so desired; however, the important fact is that 80% of the work is done offsite. This reduction in time of construction along with cool and unique designs and improved health and safety, have led to modular housing being very much in demand.

Modular homes offer more flexibility and a constant opportunity for development. Thinking further ahead, the ease of disassembling these properties will enable units to be refurbished or relocated far more easily than, say, building an extension to a home constructed onsite.

The impressive rise in popularity of modular housing has the potential to contain the ongoing housing deficit in the UK because a greater number of homes can be generated within a short period at affordable costs.

To meet the demand of this modern construction, it is the time for the property industry to unilaterally embrace this new design and build method for manufacturing homes.

CONCLUSION

With modular housing, the property industry has the potential to achieve the digital party that it lacked a couple of years ago. In fact, it will enable the property market to flourish and move forward at a much faster pace, which ultimately will deliver more value to customers.

The key to making it a success, however, lies **a)** in fully embracing the potential of Prop Tech and **b)** more lenders coming on board to facilitate development projects.

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

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

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Mike Massey BSc (Hons)
Founder
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If you would like more information then please get in touch on **0191 501 8091** and speak to Mike or Martin and they will be able to help you with any questions or queries you may have.

INTERNATIONAL INVESTMENTS: UNITED STATES OF AMERICA

Interview:

**Angharad Owen
& Jayne Owen**

Words:

Angharad Owen

Readers of YPN will be well acquainted with **Richard Brown** and his monthly articles. Except this time, he's the one in the hot seat.

Richard is a keen international investor, with properties in Portugal, Brazil and the United States of America. This month, we focus on a couple of the USA investment markets where Richard has rental and small development properties, the differences compared to the UK, and whether investing on the other side of the pond is a viable proposition or not.

What is your property background and how did you end up in America?

I started investing in property in the mid-90s. I've been chugging along nicely since then, but over the past ten years I've sought out different opportunities, as I couldn't find something that was ticking all my boxes, as it were.

My main criteria for properties are that it's possible to add value, and then get decent income returns on my cash investment.

There have been some big changes in UK legislation recently, and as a result, I've been on a quest to find further opportunities and properties that fulfil my criteria. It led me to a few new places and markets, including the United States.

I've been investing there for three years now. It's currently my secondary market, and in the future, it may even become my primary.

Why did you choose Florida for your first investment?

I didn't consciously choose the location of the first place I invested in ... It just happened that Orlando, Florida was the first place that ticked all my boxes. Since then, I have changed focus and am looking at other areas.

After the global financial crisis, there were a lot of areas in the States where prices had plummeted, more so than in the UK. But it did leave an opportunity for markets to



FLORIDA FLIP

- Affordable entry level
- Major rehab
- High potential return
- Turned into just a decent return due to additional project expenses
- Fast turnaround in USA more possible than UK for greater 'deal velocity'

Description	Financials
Purchase price	\$38,000
Works budget	\$81,000
Other project costs	\$9,000
Gross development cost	\$128,000
End valuation	\$155,000
Flip profit	\$27,000
ROI	21%

bounce back, and Florida happened to be one of said places. It was an attractive offer when I was presented with the chance to invest there. The property was well below the previous market high. I don't usually factor in capital and natural appreciation into my numbers, but I knew there was going to be a lot of room for growth.

The US is a big country! How did you find a good area to invest?

The first port of call was to look at general property prices and rental returns in different states and then narrow it down to certain cities.

I did that as an exercise to start filtering areas. With 50 states, I'm obviously not going to invest in every single one. I have certain benchmarks: affordability, returns, demand, time on the market, among others. It's just a case of finding an area that meets them all.

How do you find the deals?

It has evolved over time. I found my first couple of opportunities through deal sourcers, but I've mixed in with some local property communities now that I've done some one-to-one networking.

I've been over to the States a few times to meet up with referrals and introductions. Over time, I've built up a network over there. But fundamentally, because I am a remote investor, I need to rely on people finding opportunities for me.



I depend on both professional property sourcers and property managers, who can also work as lead generators. A lot of people like to throw deals in my direction, so I spend a lot of time filtering out the decent leads from the not-so-decent ones.

How much on-the-ground research did you do before buying?

I did it totally remotely. I've been investing remotely in the UK for many years, and in fact, I've never even seen some of my properties there! I have systems and checks to help me out. It's just how I prefer to operate given the logistics.

However, I wouldn't suggest for someone with little-to-no experience in investing in a foreign country to approach it in the same way as I do. My advice would be to go and visit the first area and get to know people to protect yourself a bit more.

How do you manage your properties?

There are two parts to managing property. The first is project management if I'm doing a flip or a reno (renovation/refurb), and if I'm holding it to rent out, I also need a property manager.

For project management, I have either a dedicated project manager or a main contractor/builder, some property managers can also play this role as well. It's quite similar to how it works in the UK. And it goes without saying that it's necessary to undertake as much research as possible to know who you're dealing with. We'll cover how to do that later.

I then hire property managers on an outsource basis as I haven't yet got to the stage where I need my own in-house person. It's something I'm considering for the future. But as I have properties in several States, it's not a viable solution for me at the moment.

Is there a difference between the general property markets in the USA compared to the UK?

There's a lot more transparency in the States, as a lot more information is available to the public than in the UK.

For example, Zillow, the American equivalent of Rightmove, can provide comparables, the selling and renting prices and tax values of properties. It can even be linked through to see whether property tax is up to date or not.

There's also a website called White Pages where it's possible to look up information on people, including their general reputation and whether they have any criminal records. That's especially handy to vet potential partners and service provider, or even tenants.

Something that we don't have in the UK, but they do in the USA is neighbourhood classifications – they're separated into A, B and C neighbourhoods. It's a little bit like the Acorn socioeconomic groups. Most of my rentals are in C neighbourhoods, which is anecdotally split into two again: C+ and C-. C+ are usually blue-collar workers, and C- tend to be people on benefits.

They call renting to those on benefits social renting. I like it because local authorities will pay 25% above market rent. Obviously, there are risks but a 25% premium is not to be sniffed at, as long as you allow a bit of fat for issues related with this sector.

As well as neighbourhood classifications, it's even possible to see gun crime statistic rankings! I invest in Chicago where there are around 80 different neighbourhoods. They can be all ranked in terms of gun crime. Safe to say I do not invest toward the bottom of the list.

Is the process of renting or selling a property different to the UK?

One major difference in the USA is that one closing company or attorney acts for both sides in the conveyancing process. It was

interesting to get my head around it the first time, but it does make sense because everything is transparent and neutral. They issue an insurance back-up as well to protect all parties, which makes fixing potential problems secure.

It can speed the process up drastically, as closings – their word for completion – can happen within seven days. It's rare they happen quite that fast, but I've always closed in under thirty days.

Do you need to consider differences between states?

One thing I've realised over the years is that the USA is like 50 different countries! Although they have a common language and passport, it was a steep learning curve when I realised that each state has different laws and taxes.

I have a US accountant who takes care of all the differences in taxes between states, filings and so on. He tells me what I need to know in Ohio, Illinois or Florida.

How do you overcome the challenges in financing?

In many ways, the US is more advanced than the UK in this field, and financing can be a lot more creative. I'm using a lot of non-mainstream financing at the moment.

I've used a lot of developer or vendor finance. That's when the owner of the property provides the finance.

I've used a lease purchase agreement, which is like an instalment contract. They're agreed for a certain period and you get the title of the property when the last instalment is paid.

There is another way to do it where I put down a deposit and the developer/vendor gives just me a loan secured against the property.

I've done that a couple of times. I agreed to the loan directly with the developer, and then paid it off over time. The developer often sees it as an opportunity to make a bit of extra money for financing the remainder of their project. There is usually a healthy down payment or deposit and a legal charge, so if I were to miss payments, the developer/owner can foreclose or repossess to recover their debt as with any mortgage.

Vendor or alternative forms of financing is appealing for me as a buyer because it allows a bit of leverage, and it means I'm dealing directly with people that can be flexible rather than rigid institutions. It can be an attractive way of acquiring property, especially when working remotely.

I have a system in place to make sure that I never miss a payment. I pay one month in advance so I'm in credit all the time in case of a banking delay and I'm always in direct dialogue with them to make sure they received the money.

Although I'm making it sound very accessible, it's quite difficult to achieve in reality. I went on a bit of a quest to find people I could work with who offered it, and it took quite some time.

There's also hard money lending, which is the same as bridging finance over here. Although relatively expensive, it's not too challenging to get hold of. However, it's often cheaper than bridging in the UK. But as a foreign investor in the USA, it is more expensive than if I were an American national.

“There are also some commercial financing solutions available, but you need a track record of flipping in the US to qualify”

Do you find it difficult to invest as a so-called alien in the USA?

Yes at times. Notaries are very common over there and also have a big role to play in the American legal system, because they're vouching that you are who you say you are and that a document you signed is authentic. In the US, you can wander into a bank and get your passport notarised for just \$5. However, I was finding it difficult to find a notary in the UK that didn't charge a lot of money just to watch me sign something and stamp a receipt. That was one major difference – it was harder for me to do that.

Financing is more challenging than you expect. Opening a bank account is difficult because of the Patriot Act. There are a few currency issues as well, but there's nothing that can't be overcome.



OHIO BUY-TO-LET

- Affordable entry level
- Developer finance – effectively paid by tenants to zero balance within five years
- High yield & cashflow via social housing (25% premium)
- Arm's length passive investment
- Medium-term savings plan

Description	First Year Financials	Year 5+ Financials
Purchase price	\$65,000	\$65,000
Works budget	\$Nil	\$Nil
Other project costs	\$3,000	\$3,000
End Valuation	\$65,000	\$75,000
Investor cash required	\$38,000	\$38,000
Developer finance balance	\$32,500	\$Nil
Annual / Monthly rent	\$11,700 / \$985	\$13,200 / \$1,100
Net rental profit (annual / monthly)	\$4,683 / \$390	\$7,130 / \$594
BTL ROI	12%	19%

There are also some commercial financing solutions available, but you need a track record of flipping in the US to qualify. I've also used short-term funding from outside the US.

There's a mix and match in terms of finance in my portfolio and developments, but so far, I haven't used what we'd call a traditional buy-to-let mortgage. I mostly have a mixture of vendor and/or developer finance, hard money lending for short-term projects, cash purchasing and private finance.

I do have a couple of exits in mind which require longer term financing solutions. It's just a bit more expensive than it would be if I were a national.

What are the costs to finance?

For investors and developers, I'd say it was comparable to the UK. There's a dream that investing overseas is cheaper, but hard money lending is about 8%-15% a year. Long-term financing is around 5%-8% for a foreign national, which is a bit more expensive than the UK.

If I were a US national however, it would be less. It would be around the 2%-5% mark for a mortgage.



FLORIDA BTL

- No cost of entry
- Vendor finance – effectively paid off by tenants to zero balance within 15 years
- High yield & cashflow
- Arm's length passive investment
- Long-term savings / pension plan

Description	Financials
Purchase price	\$65,000
Works budget	\$Nil
Other project costs	\$4,000
End valuation	\$65,000
Investor cash required	\$4,000
Developer finance balance	\$65,000
Annual / Monthly rent	\$10,800 / \$900
Net rental profit (annual / monthly)	\$3,672 / \$316
Annual / Monthly capital repayments	\$6,324 / \$527
Net annual / Monthly cashflow	(\$2,252)/(\$221)



Although the costs of finance are slightly higher, rental returns also tend to be higher, so there is some compensation on the income/ profit side to offset against associated costs.

Of course, the rental returns vary depending on location – a property next to Central Park in New York is not going to get the same returns as one in a suburb of Chicago say. Americans will pay so much more money to rent a property than we do. I still haven't quite got my head around that yet.

Land values are low and people put a massive premium on the condition of a property. For example, I've seen two properties next door to each other where one was on sale for \$40,000 and the other was \$150,000. The only difference was that one had been recently refurbished. But in the UK, you wouldn't expect to see such a big difference.

Is there a difference in the cost of works compared to the UK?

We still need to tailor the spec depending on whether I'll be holding or selling. For instance, property buyers expect oak flooring and granite worktops, whereas rental tenants would not so much. If I bought the \$40,000 house I mentioned above, I would need to spend a lot on more expensive finishes to get an end product worth a \$100,000 uplift in value.

Let's not forget that in America, houses are bigger. There's more space to get through and labour rates aren't cheap. Both the standard of living and the quality of finishes are higher.

Those three things combined do mean that the cost of works adds

up quickly.

The first time I was quoted on a refurb for what was basically a dump, it came to \$60,000 or around £46,000. I would have considered it a vanilla refurbishment, which would have cost around £25,000 for an equivalent in the UK. But it was bigger and there was a higher specification to meet.

Are they welcoming to overseas investors?

I think they want to be, however there are a lot of barriers from the point of view of government policy. The government don't want to deal with terrorists and criminals, and obviously I'm neither one of those, but they're very cautious and it means there are a lot of checks that both people and companies need to go through.

It makes it a bit harder for people there to work with me. It's not that they're not welcoming. In fact, a lot of the people I meet want to work with overseas investors. They just need to jump through some hoops to comply.

How often do you travel to the USA?

I go over at least a couple of times a year as I want to increase my footprint over there. In the future, I want to increase this to about three or four times per year, as I want to meet as many people as possible to make sure I'm dealing with the right ones.

CHICAGO

BUY, REFURBISH, REFINANCE (BRR)

- Affordable entry level
- Light refurb
- Refinance to withdraw our entire investment and a little on top
- High yield & cashflow via social housing (25% premium)
- Could refinance or flip in a few years' time (undervalued area)
- Diversification of portfolio

Description	Financials
Purchase price	\$65,000
Works budget	\$10,000
Other project costs	\$10,000
End valuation	\$120,000
Notional flip profit / ROI	\$35,000 (41%)
BRR cash left in (after refinancing)	(\$5,000)
Annual / Monthly rent	\$21,600 / \$1,800
Net cashflow (annual / monthly)	\$6,000 / \$500
BRR ROI	Infinite



I did buy a property in Florida that I had never seen, and I thought I ought to head out to kick the tyres, as it were. I drove out to the house to just touch it and check that it was there and that it looked like the pictures.

But because of modern technology, it's possible to see and do a lot remotely. There's less of a need to be tied down to one place, and there are plenty of ways in which it's possible to navigate as a remote investor.

What have you learned since starting to invest in the USA?

I've learned to concentrate more in one area, or even one or two cities. In some cases, I can't even narrow to a single state as it's such a vast area.

I've also learnt that it's important to do my own due diligence. I was recently referred to a contractor, and I put a lot more weight on the referral than my own independent research. Needless to say, it didn't end well and I had to get another one. I wouldn't do that again.

There's a review culture in the USA, so it's very easy to get a feel for someone. But it's important to take reviews with a pinch of salt, because they can be used as a

competitive angle or for petty revenge for example.

I don't think I'll invest in Florida again. I bought a property just before a hurricane started hurtling towards it. I had insurance, but then discovered that in the American insurance system hurricanes are excluded as default. So ... I had no hurricane cover.

Although there was a government insurance that I could apply for, it took thirty days to set up, and I only had three days before landfall. I was glued to the TV watching the path of the hurricane and fortunately it missed our property. But it caused a lot of problems and stress and I don't want to invest there anymore.

What advice would you give to people who are thinking of investing in the USA?

For researching and due diligence, I'd recommend people start by looking at a website called Bigger Pockets. It's a massive networking community where you can find all types of people, from investors, sourcers, developers to wholesalers and contractors. It's a good information resource.

It is very important to get someone you can lean on and trust around you who

knows the market of your chosen area inside out. When dealing remotely, there's always a risk to be scammed, especially with high value transactions like property.

My biggest piece of advice would be to be careful with who you're dealing with. Particularly where you're sending money to and what type of agreement you're signing.

Besides that, I'd get local advisors. Particularly an accountant, because tax in the USA is confusing enough, but there's also a reconciliation that takes place in the UK, so it's important to have advisors on both sides.



GET IN TOUCH

Richard is utilising his experience to help other people getting into the American market. Some services may come at a charge, but equally he is happy to signpost anyone if they want a few tips.

Email: admin@thepropertyvoice.net

Website: www.thepropertyvoice.net

THE BUY-TO-LET MARKET OVERVIEW NEW DEVELOPMENTS IN HOUSING POLICY

By Chris Worthington

There have recently been some important developments in housing policy. Weighty matters that could not be dealt with in the usual one-page market overview. This month, I therefore decided to give a two-page update on housing policy as it affects the buy-to-let market. I will return to the format of a one-page market overview with a location-specific article next month.

REMOVAL OF THE CAP ON BORROWING BY LOCAL AUTHORITIES

At the Conservative party conference, the Prime Minister announced that the cap on borrowing by local authorities for council housing will be abolished. The removal of the borrowing cap will mean that more social housing will be built by local authorities directly or in partnership with housing associations. This has been widely welcomed by local authorities who have been quick off the mark to get new funding in place. However it is too early to say how much new social housing will be built and within what timescale.

The Federation of Master Builders have also welcomed the end of the borrowing cap. Brian Berry, CEO, described it as *"the most exciting and potentially transformative announcement on council housing for many years. It is a move that the housebuilding sector and local authorities have been calling for since the last economic downturn as means to increase house building. Indeed, the only time the UK has built sufficient homes overall is when we've had a thriving council house building programme. We believe this could also have the added benefit of expanding the capacity of the private sector by providing more opportunities for SME builders."*

However, the response to the end of the borrowing cap by the Chartered Institute of Housing was more qualified. They have argued that to improve the supply of social housing, Right to Buy should also be abolished in England as it has been in Scotland and Wales.

In addition to removing the borrowing



cap for local authorities, the government announced £2billion to help housing associations to build more affordable housing. The Prime Minister called on housing associations to *"use their unique position to change the way tenants and society as a whole view social housing."*

STAMP DUTY SURCHARGE

The government has announced that foreign buyers of property will face a stamp duty surcharge of 1%-3% on top of the existing stamp duty surcharge on second homes and BTL purchases. The levy will be spent on a £20million fund to help people without a home get into the private rented sector. This could involve local councils providing financial support for deposits or rent payments. It is modelled on a successful programme run by Crisis, the homelessness charity.

Richard Lambert, CEO of the NLA, commented: *"While we welcome any assistance that the government can provide to those in need of a home, this hardly addresses the cause of the housing crisis. More social housing needs to be built for those who are unable to access or maintain a tenancy in the private rented sector."*

The stamp duty surcharge for foreign investors in property could be good news for some BTL investors in terms of improving the availability of property to invest in. However it will not deter more wealthy buyers, and the impact at the top end of the market is not likely to be significant.

GOVERNMENT CONSULTATION ON LONGER TENANCIES

In July 2018, the DHCLG published a consultation document entitled *Overcoming the Barriers to Longer Tenancies in the Private Rented Sector*. Here is a summary: *The assured shorthold tenancy was introduced in the Housing Act in 1988. It allows for a minimum tenancy of six months and is the most common form of tenancy in the PRS. The PRS is the second largest tenure in England and it has doubled in size over the last decade, housing 20% of all households.*

The diversity of individuals in the PRS has changed significantly since 1988. There are large numbers of young people; 44% of households in the PRS have a head of household under 35 but 17% are over 55 and 9% are over 65. The number of households with children is 38% and the number in receipt of housing benefit is 22%. The government recognises that while many tenants welcome the flexibility of an assured shorthold tenancy, the change in size and makeup of the PRS has led to a need for longer, more secure tenancies.

The average length of residence in the PRS is 3.9 years compared with 17.6 years in the owner/occupier sector, and 11.3 years in the social rented sector. In the PRS, 81% of tenancies granted are for a fixed term of six or 12 months.

The short initial term period can result in tenants feeling insecure and that their house is not their home. Landlords could benefit from longer tenancies. An empty property does not generate income and finding new tenants incurs costs. Furthermore, where tenants know that they will be living in a property for a longer period of time, they are more likely to look after the property.

There needs to be a balance between providing tenants with security, while ensuring that landlords are able to recover their property if they need to. There is also a balance between providing greater security to tenants who want it while retaining the flexibility of the assured shorthold tenancy that many tenants value.

A model tenancy agreement which landlords and tenants can use as the basis for longer tenancies is included in the government's consultation document. This provides for a fixed-term tenancy with a minimum of two years but with a break clause for either party after six months. Rent can be increased at most once per year at a rate agreed by the landlord and the tenant at the outset. The model tenancy agreement also makes some provisions for the tenancy to be ended after the break clause with two months' notice for

the landlord and three months' notice for the tenant.

OTHER RECENT LEGISLATION ON THE PRS

The consultation document on longer tenancies also refers to the guidelines and regulations for the PRS that are being introduced by the government. These are the tenant fees bill that will impose a ban on letting fees, a redress scheme to assist with the resolution of landlord/tenant disputes and ensuring that all letting agents are members of a deposit protection scheme.

UNIVERSAL CREDIT

Universal Credit is being introduced in stages across the UK. It is paid directly to the claimant one month in arrears. Universal Credit will include housing benefit. According to the National Housing Federation, housing associations experience higher levels of rent arrears in areas where Universal Credit is in place. The introduction of Universal Credit is not good news for BTL investors or tenants, especially with regard to rent arrears or raising a deposit.

VIEWS FROM THE PROPERTY INDUSTRY ON THE NEW HOUSING POLICIES

Since 2012, social landlords in England have been able to offer fixed-term tenancies (FTTs) to new tenants in place of open-ended secure tenancies. A recent survey by DHCLG found that of those who responded to the survey, 59 out of 80 housing associations and 21 out of 50 local authorities were using FTTs for all, or some of, new tenants.

However, L and Q, the UK's second largest housing association with 90,000 tenants in London and the South East, is to bring back lifetime tenancies ending all fixed term tenancies for its residents. David Montague, Chief Executive of L and Q, commented: "We are now saying that you can have a quality, affordable home for life. Tenants of L and Q are mostly aged over 55, have a median income of about £11,000 and pay rents that are about 50% below market rents."

A report from landlord insurer Direct Line for Business found that 70% of renters in the UK have no plans to purchase a property. It suggests that the UK is moving towards the German housing model with a greater percentage of the population renting accommodation for longer periods of time.

IMPLICATIONS OF THE POLICY DEVELOPMENTS FOR BTL INVESTORS

In time, the removal of the cap on borrowing for housing by local authorities will increase the availability of council housing with rents that are likely to be lower than full market rents in the PRS. They are also likely to continue to be available for fixed term tenancies that are longer than an assured short tenancy in the PRS or with open-ended secure tenancies.

Government policy is moving in the direction of longer term tenancies, although no legislation is so far in place. The RLA reported that 63% of landlords would be encouraged to offer longer tenancies if tax relief was available. But that seems unlikely to happen, because the government have only recently introduced the phased reduction in tax relief for mortgage interest payments.

In order to compete in a market where social housing will become more widely available, landlords should consider if the benefits of a granting a two- or three-year tenancy outweigh the risk. A longer tenancy could be a good selling point for a new tenant, and it has the benefit of reducing uncertainty about the possibility of voids and future increases in rents. BTL investors should also be ready to compete in the market by offering high quality, well designed accommodation.

The future increase in the supply of social housing will provide competition in the market for conventional BTLs. However, the market for purpose-built student accommodation and holiday lets are unlikely to be significantly affected by the recent policy developments.

BREXIT AND THE PRS

Another footnote on Brexit and the BTL market ...

Last month I gave a presentation on Brexit and the BTL market to a meeting of landlords and property investors in my home city of Bristol. One or two were in the process of selling property because of the changes in taxation but the majority of the audience were upbeat about investing in new property, even before the outcome of the Brexit negotiations is known.

This is in line with a national survey undertaken by property advice website The Property Hub. The survey found that 80% of landlords plan to increase their portfolio over the next 12 months while 70% said that even a no deal Brexit would not deter their plans for growth.

Bristol has a successful local economy and a fast-growing population, both key factors in driving demand for residential property, and no doubt these contributed to the confidence of local BTL investors. Bristol also has a dynamic property market with a wide range of new developments completed in the last decade, and many more planned or underway.

It has been over two years since I covered Bristol in a location-specific article and there will be an update on that next month.



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



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WHEN SHOULD YOU EXTEND YOUR LEASE?

By **Graham Kinnear**

Over recent months I have seen an increase in the number of leaseholders contacting us for advice on how to extend their lease.

In many respects this is unsurprising, given the abundance of leaseholds created in the 1980s and 1990s. These leases are now at the stage where renewal is a serious consideration.

Whilst mortgage brokers can often obtain finance for leaseholds with 55–60 years remaining, in an ideal world you should not wait that long before seeking to extend the lease.

In my opinion, you should extend your lease before it drops below 80 years. When it does fall below this level, you are obliged to pay 50% of the marriage value associated with that lease, increasing the costs significantly.

Marriage value is the rise in property value following the completion of the lease extension. It reflects the additional market value of having a longer lease.

Aside from the marriage value, there are other factors that determine how much a lease extension will cost.

One is the value of reversionary interest. Imagine you have 60 years left on your lease and the property is currently worth £200,000. A surveyor then calculates how much someone would pay today for the right to receive £200,000 in 60 years' time. Added to this is a compensatory payment to the landlord for the ground rent that would be lost over the remaining period of the lease.

The collective total of these items will broadly represent the cost of the lease extension. Bear in mind also, it is customary that in addition to these costs, you will pay the freeholder's reasonable legal fees associated with the extension.

If you are decided that a lease extension makes sense, then there are broadly two methods that can be used. I call these the formal and informal route.

INFORMAL ROUTE

The informal method is simple. You contact the freeholder and enquire how much they will charge to grant you a new lease. What normally follows is some horse trading on price. Once price has been agreed, solicitors are appointed to undertake the legal formalities.



The advantage of the informal route is that it can be more cost effective. For example, if your lease was 80 years then you could, in theory, ask for a price to take it back to 99 years. This would be cheaper than the formal route where you would receive an additional 90 years.

Additionally, you could agree to retain a ground rent – or even increase it – in return for a reduced premium on the lease extension itself. Such a plan could be ideal for those who just want to improve the marketability of their leasehold ahead of a sale or remortgage.

FORMAL ROUTE

The formal route is generally used when the leaseholder feels the freeholder may be over ambitious with their demands on price, or where they feel that an informal negotiation will be unsuccessful.

The formal process works by serving a Section 42 notice on the freeholder detailing the terms you require and the price you are willing to pay. The freeholder is then obliged to respond and either agree or present a counter proposal to you.

Your initial submission should be based on a professional valuation, as will the freeholder's counterproposal. Consequently, the negotiation on this route tends to be made by the respective surveyors, rather than the parties themselves.

A formal application will result in your lease being increased by 90 years from its current term, together with the removal of the ground rent. An informal extension on the other hand is entirely down to the parties to negotiate.

Maintaining a sensible lease length should mitigate your exposure to extended costs further down the line, as well as promoting the value and marketability of your asset. In addition, it will make securing money on the property far easier than would be the case with a short lease.

Why not spend an hour or two over the holiday period to remind yourself of your lease lengths and make an assessment whether any should be renewed in the new year?

If you are considering acquiring a property with a short lease, you should be aware that you are not legally entitled to a lease extension until after two years of ownership. In such circumstances, you may wish to ask the seller to serve the required notice on the freeholder before they sell the property to you. That way you will be able to extend the lease as soon as you are ready.

I wish you a peaceful and relaxing holiday and look forward to the challenges which will inevitably face us all in 2019.

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"**



YOUR HMO Q&A

Rick continues to answer your HMO questions, so keep them rolling in!

With Rick Gannon



Q) Is it possible to buy a normal house, turn it into an HMO and obtain a commercial value so I can sell it for a profit?

A) I wish it was! If it were that simple, then everyone would be doing it, right? The fact is, most HMOs will only likely achieve a bricks-and-mortar valuation because they are just houses at the end of the day.

A few points to note here. If the area you are investing in is an Article 4 area and/or you require a licence, then there is a chance of achieving slightly more than bricks and mortar as a valuation.

If the property has been converted so that it no longer resembles a family home, therefore needing a significant investment to change it back, then you may achieve a commercial valuation in these circumstances.

And of course, if it was never a house in the first place – perhaps it was a pub or an office block – then this would be valued commercially.

Like anything, there are no definite answers and each property would need to be assessed individually. But if you think that you will be able to achieve a higher value just by simply putting a bed in the living room, then you are going to be disappointed.

Q) I have heard that some landlords give tenants a licence, allowing them to evict the tenant at a moment's notice. Is this the correct document to use in an HMO?

A) Licences are non-Housing Act agreements and therefore can only be used in certain circumstances. If any of the following describe your circumstances, then you should only use a Housing Act agreement, assured shorthold tenancy (AST):

- 1. The person is an individual and not a company**
- 2. The property is their main or principal residence**
- 3. The landlord is not present**
- 4. They have exclusive possession over a part of the property**

In these circumstances, a licence agreement definitely wouldn't be correct. Those cutting corners thinking they can evict because they have issued a licence may find themselves with a conviction.

Don't cut corners. Despite the name you give to any contract, if the above points apply then it will only ever be deemed as an AST in the eyes of the law.

Q) What type of lock do I need to use in my HMO?

A) All bedrooms and external doors to the building should be fitted with a locking system that allows tenants to open a door from the inside without needing to use a key. This is for fire safety and there are many types of locks available to cater for this.

There is the Yale lock, which the tenant can open from the inside without a key. But please beware, most old Yale locks can cause massive problems. Sometimes tenants forget their key when popping to the kitchen, and with the door-closer poised and ready, they lock themselves out.

Yale have now introduced a new locking system called the Rollerbolt Nightlatch. This relies on the tenant to lock it manually, which will prevent them from locking themselves out.

There is also a system called a thumb turn lock which is self-explanatory. This doesn't allow the tenant to lock themselves out, as it requires the them to twist the lock shut from the inside, or lock with a key from the outside.



Q) Rick, I have heard that you pre-qualify your tenant prospects before they even get a viewing. Doesn't that prevent lots of potentially good tenants from taking a room?

A) When I began investing in property full time, I found that I was wasting loads of time at viewings with prospects who were just terrible. It was soul destroying, and that was if they even turned up. I wasted so much time on failed viewings that I decided I needed a pre-qualifying system.

I don't know why this isn't the industry norm as it seems that I am the only person doing this. Please take my advice and start asking some pre-qualifying questions before you agree to do any viewings.

The questions don't have to be overcomplicated, but they will give you an idea if the potential tenant will be suitable. If you are uncomfortable in asking them over the phone, then maybe send them in an email or use a system that does it all for you.

The type of questions that you want to be asking are things like:

- **Have you ever been in rent arrears?**
- **Have you ever been evicted from a property?**
- **Do you have a criminal record?**
- **Do you have any County Court Judgements (CCJs)?**
- **Have you ever been made bankrupt?**
- **Why do you need to move?**

These are just a few examples. Before you shout me down in flames ... yes, the questions are self-declaration and yes, they could lie. But most people will tell you the truth.

And for those that don't, remember this is just the first hurdle. We are going to carry out more due diligence further down the line. These questions will sort the good from the bad, and this will help you to future-proof your business and cash flow.

By using these simple questions, we very rarely have any arrears in the whole of our portfolio.

Q) I have heard that the HMO market is saturated and that everyone wants a piece of the action. Do you think that there is still room for a newcomer?

A) I love this question and I get asked this a lot. I am a firm believer that there is always room in a crowded market, provided you have a good understanding of your customers' expectations.

To stay ahead of any competition, you will need to have a good solid product and the ability to market it well. The HMO market has a lot of middle-range rooms that are never going to set the world on fire – don't be the same. Make your product stand out and shout about how it differs from the rest.

Get the product right and you will rent rooms. Many people shouting in the social media groups have terrible products and they are stuck in the 80s. Their adverts look woeful, with dimly lit, poorly dressed rooms accompanied by a bleak description.

Times have changed, and things have moved from magnolia woodchip and teak furniture. We live on an island where the population is ever increasing. HMOs are here to stay, just be better.

When you have the product right, you need to market the back out of it. Sell the lifestyle that the room offers, not just the room. Be descriptive in your adverts and use professional photographers – this will pay dividends, trust me. You can never set and forget marketing and you must tweak it every day. Bump up your adverts and move the photos around every day to stay fresh.

Don't sit back and rest on your laurels. What worked last week may not work next week.

Q) I set up a house rota in my HMO so that each tenant has their own responsibility when it comes to cleaning. The trouble is that some of tenants don't do it and this causes me issues with the rest of the house complaining that nothing gets done. Can you give me some advice on how to manage this?

A) This is a common issue with shared houses, and we find that house rotas don't work for all the reasons stated above. We have tried everything! But here are some of my top tips:

- **Employ a cleaner to clean the communal areas every two weeks.** If you are lucky enough to find one that will wash the dishes up too then you have struck gold! This way you know that the house will be back to its default position every fortnight.
- **Supply bin liners.** Tenants will forget to buy them, but will continue filling the bins. Ask your cleaner to provide them and this problem should go away.
- **Give your tenants colour-coded crockery.** This way, you will know who isn't washing up their dirty dishes and you can address them individually.
- **Buy a good sturdy vacuum cleaner which is made available for the tenants to use.** We use Henry as he is reliable and die-hard.
- **Conduct regular house inspections to keep on top of things.**



I hope you found this month's Q&A useful, if you have a question, please submit it to the YPN team and we will publish it in next month's edition. Until then, happy HMOing!

Rick

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.

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



THE FIVE KEY CHARACTERISTICS OF A TALENTED DEAL SOURCER

Hi Arsh

I have been toying with the idea of getting into property sourcing and I can see that you are very active within this arena. What would you consider the skill set required to be a successful property sourcer? Is there anything you could suggest?

MR HOBBS, CANTERBURY

There's no hiding the fact that property makes money. When done well, it can make you a lot of money. So I often come across keen young people desperate to break into the world of property asking: "What do I need to do to be good at property?"

The following list comprises the five key characteristics I think a good deal sourcer needs in order to be at the top of their game.

LISTEN

In the words of the Dalai Lama:

"When you talk, you are only repeating what you know; but when you listen, you learn something new."

This is my golden rule for being a good property sourcer. If you can listen, and listen well, you're halfway there. Having worked with a huge number of people over the years, the ones who have done well are the ones who can listen to a property owner and pick out the important bits of information to come up with a win-win.

Two of the most important things to look out for are ...

Pain and motivation

A good deal sourcer will try to get to the root of the problem. For example:

All vendors would like to sell their property, but what is the underlying reason for them to sell? Among other things, they might they be:

- **Upsizing**
- **Downsizing**
- **Facing repossession**
- **Going through a marital breakup**

I am a firm believer that for many vendors,



price is not the main motivator. I also believe property investors are far too fixated by price, and sometimes scared by the figure that some owners want to achieve. The price is in fact just a figure; it is not a true reflection of the property or the reason they would like to sell. Consequently, some investors jump straight into negotiating the lowest possible price without really understanding the vendor's circumstances.

Sellers will often sell to people they like, and more importantly, people who have taken the time to build rapport and listen to their problems.

RESTRICTING YOUR BELIEFS

You are only restricted by the things you give power to. If Albert Einstein believed his dyslexia was beyond help, would we know as much as we do about the world of physics? If the Beatles took the rejections they were served up as gospel, would we have ever enjoyed their iconic music?

The same applies to you and property. When you start out, whilst you are still learning your craft you will hear a shedload of NO's. Also, people will tell you that you cannot do it and that it isn't the traditional way to do

property. The key to success is to block out the naysayers and proceed with a belief that you can succeed.

Even to this day, a lot of people tell me that some of the projects I take on will never make money, including solicitors, valuers and in some cases my business partner. This might distract a less experienced investor, leading them to walk away from a good opportunity. A true property entrepreneur, however, will pursue their vision with the project if they truly believe they can make it work.

Over the years, I have purchased many weird and wonderful properties that near enough everyone around me told me to walk away from. I refused to listen ... and they turned out to be some of the most profitable deals we have ever done.

FIND SOLUTIONS

If someone were to ask me what my day involved, I would have to say it is about finding solutions. Ultimately, the work I do is about coming across problems, perhaps a property where the owner is in negative equity, or which has a structural defect. It is up to me to find the best solution.

Example

I recently received a phone call from a distressed vendor whose family had owned a property for over 20 years. It was an abandoned mill but it was also listed. The property was dilapidated and ripe for development, but all the developers who looked at the site over the years struggled to make any sense of it. As a result, the vendor was resigned to the fact that no-one wanted it.

It was brought to my attention by one of my students, who saw it as an unsold lot in the previous auction and thought it was impossible to make it work.

I identified the solution the moment I saw it. The mill came with a parcel of land alongside, so I asked my architect to create a plot, replicating the mill with a drive-through between the two buildings.

I negotiated an assisted sale with the vendor, on the basis that she



allowed me control of the site for a maximum of four months. In return she would achieve the £100,000 asking price along with a percentage of the uplift, to create a win-win scenario.

The architect created an indicative drawing. The property was put into the next auction and sold prior to going into the room. I received and accepted an offer of £135,000, which meant I made £35,000 from seeing the potential in someone's unwanted asset.

The best deal sourcers / traders are the ones that could quite easily double up as an FBI investigator with the set of skills they possess. You know the type – they don't leave a stone unturned and dig out every scrap of information. It is this trait that makes property work for you.

PERSISTENCE

No-one ever became successful by giving up. To achieve your goals, you must be persistent and take rejections on the chin. Over the past 18 years in property, many have doubted my ability to make a project work but that only spurred me on to show them that it could be done.

To be a talented deal sourcer, you have to persist with the deal. You have to look at what isn't going your way and see how you can make it work. You have to have that hunger and passion to get what you want. The difference between an average deal sourcer and a great one is that one of them will pursue every opportunity and be relentless in their approach.

Undoubtedly, there will be good bad, bad days and extremely s**t days. But it is the people who consistently dust themselves off, look in the mirror and tell themselves that today will be better than yesterday, who succeed. I see so many taking rejection personally, then starting to question themselves and thinking that the naysayers might be right.

You can only win if you are taking action. A bystander will always be just that – a bystander, watching others succeed from the sidelines.

Have you ever heard the saying ...

97% of the people who quit too soon are employed by the 3% that never gave up

In truth, I have thought about giving up thousands of times, questioning whether I'm still able to succeed or whether I've already hit my peak. But ...

Tomorrow is another day!



Whenever you
feel bad, just
remember that
Coca-Cola only
sold 25 bottles
the first year.
Never give up!

BE ADAPTABLE

What does being adaptable mean in property? It's about being flexible in your approach to your daily business; it is when you can think, learn and develop continuously.

The need for being adaptable has never been greater than it is now. The new regulations have forced long-standing property professionals to reassess and evaluate how they do things, and adapt to the changes.

I have said for many years that the most successful investors are the ones who adapt and react to market conditions. Over my time in property, I have seen the rise and fall of lots of strategies, such as BTL, HMOs, serviced accommodation, commercial to residential conversions, R2R, lease options, adverse possession, auction-based strategies ... not to mention Bitcoin!

External influences (the government) have forced us to look at alternative methods of maximising cash flow from our properties after the introduction of new legislation and regulations.

As a deal sourcer, the ability to adapt is almost like do or die. If you are only looking for one style of property, or buying properties 25%+ BMV, your pool of suitable properties will narrow and your

deals will dry up very quickly.

I like to know that I have a number of tools in my box to solve a property problem. I consider angles like whether I could buy it BMV, keep it and rent it out to create cash flow, develop it for a profit, and so on. At the same time, I'm looking for comparables within the vicinity to help guide the decision.

Only then do I come up with a solution to offer the vendor. But to find that solution, I have to adapt my thinking to the property and its local marketplace.

Being a one trick pony is not an option in a crowded property space. Only the strong-willed and creative-minded will survive.

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



CONTACT

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Instagram www.instagram.com/arshellahi/

Youtube www.youtube.com/c/ArshEllahi

Linkedin www.linkedin.com/in/arshellahi/

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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"**



MORTGAGE UPDATE

By **Stuart Yardley**

Trafalgar Square Financial
Planning Consultants



Q&A

Q. CAN I GET A BTL MORTGAGE AS A FIRST TIME BUYER?

We have many enquiries from new investors who for personal reasons would like to start investing into BTL properties before they have purchased a main residence. There are a few lender options available for these circumstances, and one of the main lenders for personal borrowing would be NatWest.

Lending is assessed on your individual income and expenditure in addition to the standard rental stress tests, so they will work on an affordability calculation. There is a minimum income of £25,000 and when assessing the affordability, they will take into account any personal living expenses along with any personal credit to assess the maximum loan. You will also need a minimum of a 25% deposit.

OVERVIEW OF KEY TERMS:

- Minimum purchase price £50,000
- Minimum income £25,000
- Lending available in England, Scotland, Wales or Northern Ireland
- Properties must be in a basic lettable condition on day one
- Lending available up to 75% of the purchase price
- They will not consider multiple tenancies, HMOs or DSS tenancies as the property must be let on a single AST on a standard rental basis

RATES INCLUDE:

75% of the purchase price

- **1.94%** fixed until 31/12/2020 – £995 arrangement fee
- **2.64%** fixed until 31/12/2023 – £995 arrangement fee
- **2.67%** fixed until 31/12/2020 – no arrangement fee
- **2.77%** fixed until 31/12/2023 – no arrangement fee

NatWest have some very competitive rates and are a good option for the first time buyer looking to get into the investment property market. There are a few other lenders who work on a similar basis available within the market, including some specialist lenders.

Over the past few months I have written quite a lot around portfolio landlords and products available for experienced landlords. So this month I thought I would go through a few other options and answer some regular questions we get from new investors and non-portfolio landlords. Here are a few of the many questions we get asked by investors who are starting out.

Q. AS A FIRST TIME BUYER, CAN I GET A LIMITED COMPANY BTL MORTGAGE?

Following on from the first question, another factor is that after receiving tax advice from a specialist, the investor, who has no property experience, would like to look at purchasing their first property under a limited company structure.

This is also possible and as with personal lending options, there are some specialist lenders who will consider this on the same basis, ie working on a personal income affordability basis.

A lender that operates in this specialist area is Precise Mortgages. They have a range of products that are available for limited company lending and will consider a first time buyer based on earned income and affordability in addition to the rental stress test.

OVERVIEW OF KEY TERMS:

- Minimum purchase price £50,000
- No minimum income, and lending based on affordability
- One year's trading figures considered for self-employed/company directors
- Lending available in England, Scotland, Wales
- Properties must be in a basic lettable condition on day one
- Limited company must be a property SPV; no trading businesses
- They will not consider multiple tenancies, HMOs or DSS tenancies as the property must be let on a single AST on a standard rental basis

RATES INCLUDE:

75% of the purchase price

- **2.99%** two-year fixed – 1.5% arrangement fee
- **3.24%** two-year fixed – 1.5% arrangement fee – refund of valuation and £300 cashback
- **3.49%** five-year fixed – 1.5% arrangement fee
- **3.39%** five-year fixed – 2.5% arrangement fee

As you can see, as a first time buyer there are still options to start your property investment business and I recommend speaking to a mortgage broker who will be able to assist you with your own personal circumstances. I am happy to assist if you have any questions, so please feel free to call or send me an email.

Q. I OWN MY RESIDENTIAL PROPERTY BUT NO OTHER INVESTMENT PROPERTIES AND WOULD LIKE TO PURCHASE A HOUSE OF MULTIPLE OCCUPANCY PROPERTY/HMO?

Another regular question we get is from investors who are looking at a specialist property such as a multi-let or HMO as their first property investment. Can they obtain mortgage finance?

The key here is that you must already be a property owner. That can be a residential property or another BTL. In that case, we can obtain HMO finance for you for a small

HMO, typically up to eight bedrooms, even as a first-time landlord. The latest regulation has made this slightly more complicated if, like the majority of our enquiries, you want to purchase a house with perhaps two reception rooms and convert one of them into an extra bedroom so the property can be rented out as an HMO.

Now, with the new regulation and all properties with five or more bedrooms requiring licensing, you will need the works completed and licence applied for before an HMO lender will lend. This means that investors need to purchase first with cash or bridging finance, complete the conversion and then apply for the licence. Once this has been done, you can apply for an HMO mortgage

The exception to this would be if you are purchasing an already licenced HMO. Then HMO mortgage finance can be considered.

If you are looking at smaller HMOs, for example a three-bedroom two-reception house where you can use one of the receptions as a bedroom to creating a four-bed HMO, we can look at HMO mortgage finance from day one for even a first-time landlord. This is assuming that there are no other specialist licensing requirements in the area.

We have a lot of questions from investors who want to do this and create an unlicensed HMO. We are regularly asked why this is different to a standard BTL mortgage. The crucial difference is that with a standard BTL, the terms of the mortgage will state that the property must be let on one AST for the whole property. With an HMO mortgage you can have four multiple tenancy agreements, so it's important that you have the correct type of mortgage to fit your requirements.

If you are considering a multi-let/HMO as your first property, I recommend contacting a broker to establish a firm finance strategy. You can then target the type of properties that will work for you even as a first-time landlord.

As always, if you have any questions on the subject, let me know.

LONG-TERM FIXED RATES AND PRODUCT TRANSFERS

With variable rates increasing with the latest base rate changes and swap rates starting to increase in the market, we may start to see some fixed rates increasing. The big question for investors with portfolios on variable rates therefore will be: when is the best time to fix the rate?

The majority of the mainstream lenders offer a product transfer option so when your current rate ends, if you are purely looking at just fixing the rate again without releasing further equity, this

can be a good painless option to consider. Your mortgage broker will be able to help you with this. It's an option we consider for all of our clients and I am happy to review your portfolio for you to see what is available – just contact me to chat it over.

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

LENDER	LOAN-TO-VALUE	PRODUCT	FEES
The Mortgage Works	75%	2.49% 5-year fixed rate	£1,995 arrangement fee added – free valuation and free legal remortgage service provided
Virgin Money	75%	2.65% 5-year fixed	£995 arrangement fee added – free valuation and free legal remortgage service provided
BM Solutions	75%	2.82% 5-year fixed	No arrangement fee added – free valuation and free legal remortgage service provided
The Mortgage Works	65%	2.09% 5-year fixed	£1,995 arrangement fee
Coventry/Godiva	65%	2.35% 5-year fixed	£1,995 arrangement fee added – free valuation and free legal remortgage service provided
Virgin Money	65%	2.63% 5-year fixed	£995 arrangement fee added – free valuation and free legal remortgage

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

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 part of a regular review of the market, the following table lists a few options available.

LENDER	LOAN-TO-VALUE	PRODUCT	FEES
Paragon Mortgages	80%	3.7% 5-year fixed	1% arrangement fee
The Mortgage Works	80%	3.24% 2-year fixed	2% arrangement fee
Precise Mortgages	75%	2.99% 2-year fixed	1.5% arrangement fee
Precise Mortgages	75%	3.49% 5-year fixed	1.5% arrangement fee
Kensington Mortgages	75%	2.59% 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 to discuss this with your broker upfront.

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

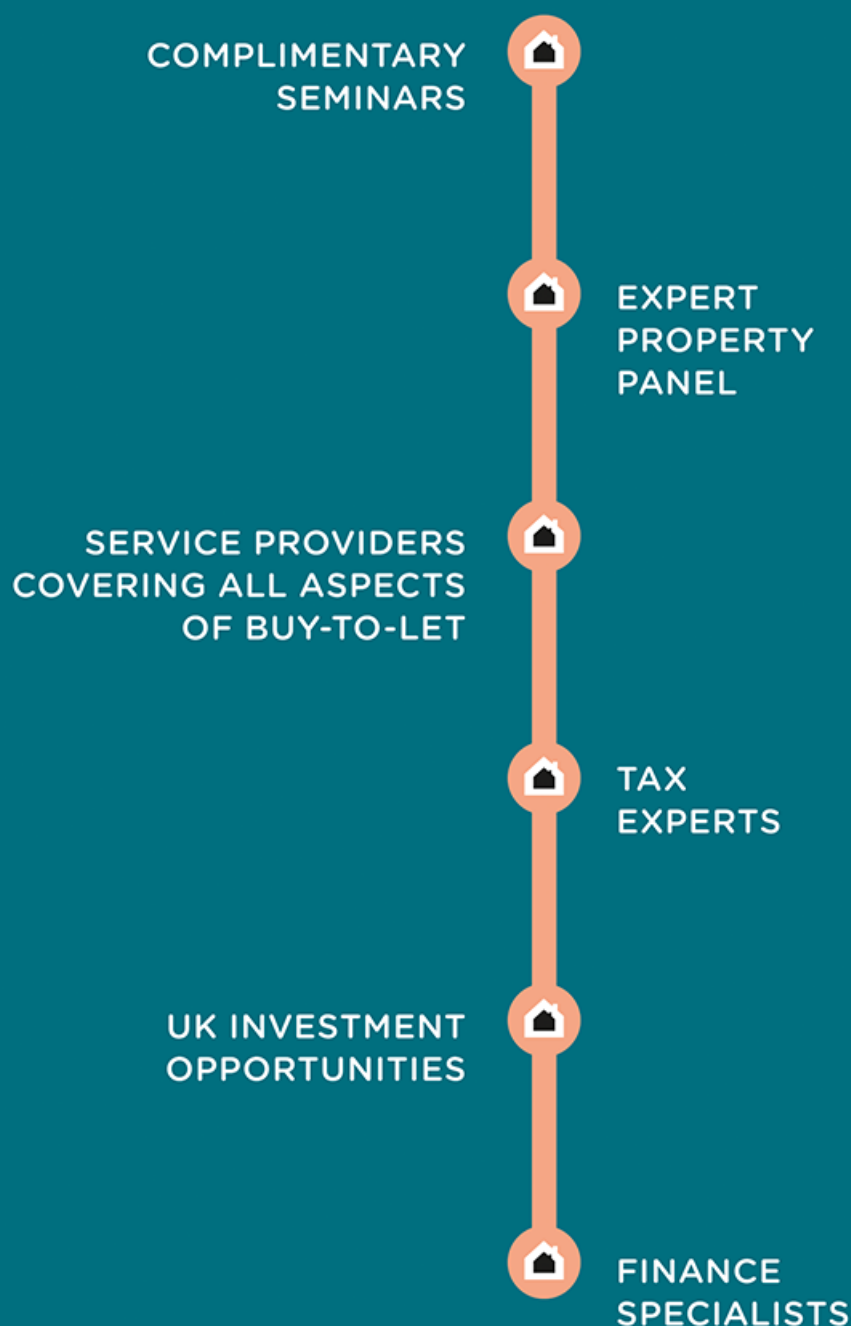
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LEGISLATION UPDATE

THIS MONTH'S UPDATES ...

- (Yet another ...) Review of the PRS
- Recent HMO legislation FAQs:
 - Licensing
 - Minimum room sizes
 - Waste management
 - Access rights and "quiet enjoyment"
 - Article 4
 - Evictions

By Mary Latham

PRS REVIEW

On 26th October, the Housing Minister, Heather Wheeler MP, announced a review of the private rented sector "which will overhaul health and safety standards for rental accommodation."

This will include updating the **Housing Health and Safety Rating System (HHSRS)**, introduced in the Housing Act 2004 to change the way properties were inspected to a risk-assessment-based system. HHSRS has not been updated since 2006, and it's probably fair to say things have moved on a lot in the past 14 years. So we shouldn't be concerned at the prospect of this update.

What is interesting is that this is going to happen in addition to the **Homes (Fitness for Human Habitation) Bill 2017-19**, which at the time of writing has just completed the passage through The Commons. This Bill is intended to:

"Amend the Landlord and Tenant Act 1985 to require that residential rented accommodation is provided and maintained in a state of fitness for human habitation; to amend the Building Act 1984 to make provision about the liability for works on residential accommodation that do not comply with Building Regulations."

The Bill empowers tenants to take action against landlords in court, including social as well as private landlords. In my opinion, tenants will continue to fear reporting issues to landlords until there is an increase in the supply of rented properties, because they still fear that either eviction or rent increases will result from their complaints.

Perhaps I am wrong and they will take their landlord to court for disrepair – we'll see when this Bill receives Royal Assent (probably in 2019).

QUESTIONS ARISING FROM CHANGES IN LEGISLATION

I often take part in discussions online. It's useful to understand what people are unclear about. Recent changes in legislation have caused some questions to come up time and time again. Now that we are at the end of a year where many changes have been introduced, I thought it would be helpful to share the questions most often asked, and the answers.

LICENSING

Q. Under the new mandatory HMO licensing, do I need a licence if all my tenants are on one tenancy agreement?

A. HMO licensing is a control given to Environmental Health departments of local authorities. The criteria for licensing relates to the number of occupiers not the number of tenancy agreements or even the number of bedrooms. If there are more than five unrelated people sharing facilities, you need to apply for a **mandatory licence**.

Some areas have **additional licensing** in place. In these areas, all properties occupied by three or more unrelated people sharing facilities must have a licence unless they are exempt.

Some areas have **selective licensing** in place. In these areas, all rented properties must be licenced unless they are exempt.

Q. I've got a licenced HMO. Do I now need to meet the new minimum room sizes?

A. No. You will need to meet the new criteria when your licence is renewed.

Q. I am letting properties as HMOs and now they need to be licenced. I haven't got them on HMO mortgages. Is this a problem?

A. The local authority will inform your lender that the property is now a licenced HMO so you should probably speak to them first. A good broker will give you advice on the potential problems and how to deal with them.



Q. My council has told me they are not ready to accept my application for an HMO licence under the new legislation. Does that mean that I am in the clear?

A. I was shocked to find out how many local authorities hadn't got a system in place to deal with the applications for mandatory licences. And I was really angry when I realised that many of those councils were still planning or had recently introduced selective or additional licensing, despite knowing for six months that they would need to deal with an increase in mandatory applications.

Most local authorities have failed to meet their obligation to inform landlords about the changes in legislation, apart from those who have preached to the choir by mailing out to their existing HMO landlords.

The government has made their obligations clear here: <http://bit.ly/MaryLathamYPN126-Licensing2018>.

"7.5 This instrument comes into force on 1 October 2018. Before that date LHAs must promote the changes this instrument

makes and the extension of mandatory licensing in their respective areas. During this period, LHAs must also process applications for licences relating to those HMOs prescribed by this instrument.

"However, any licences issued in advance by virtue of this instrument cannot come into force before 1 October 2018.

*Landlords of HMOs falling within the prescribed description who fail to apply for licences by 1 October 2018 commit a criminal offence **from that date.**"*

WASTE MANAGEMENT

Q. I know that HMO licences are going to have a standard condition that says we have to manage the waste/rubbish in line with the council's system. Can my council charge me for removing rubbish/waste from my HMO?

A. No, they cannot. The government is aware that this question is causing landlords concern, and it is answered in "Houses in Multiple Occupation and residential property licensing reform Guidance for Local Housing Authorities":

<http://bit.ly/MaryLathamYPN126-HMOLicensing>

*"From 1 October 2018, local authorities will be required to impose a mandatory condition concerning the provision of suitable refuse storage facilities for HMOs. Local authorities will be aware that HMOs, occupied by separate and multiple households, generate more waste and rubbish than single family homes. Some local authorities have made specific provision under their function as the local waste authority for landlords of HMOs to ensure there are appropriate facilities for storing rubbish their properties generate. All licenced HMOs will need to comply with the scheme issued by the local authority (if one exists) for the storage and disposal of domestic refuse pending collection. **A licence holder's failure to comply with the scheme is a breach of the licence and a criminal offence.** This condition must be included in all HMO licences (mandatory or additional) granted or renewed after commencement of the Mandatory Conditions Regulations 2018 on 1*

MINIMUM ROOM SIZES

Q. I have been told that I will have 18 months to make my HMO bedrooms meet the new minimum sizes. Is this correct?

A. No, each local authority has the power to grant some time for landlords to bring their properties into line with the new minimum bedroom sizes. This does not begin until a new or renewed licence is needed from 1st October 2018. The legislation allows UP TO 18 months, but it is expected that this amount of time will only be given where there is an established tenant in place to prevent that tenant being disturbed. Landlords will need to discuss and agree this with their local Environmental Health Officers.

Q. If I've got a bedroom that is slightly undersize but provide a communal lounge, can I still let that bedroom?

A. No. Unlike previous legislation on overcrowding, covered in Part X, Housing Act 1985 (<http://bit.ly/MaryLathamYPN126-PartX>), the provision of other space does not mean that the minimum bedroom size can be lowered or that more occupiers will be allowed. Each lettable bedroom must meet the minimum size.

Providing communal space can mean that the local authority will not ask you to provide a kitchen one floor up or down from a bedroom. That can save a big expense. Most local authorities also apply a bigger room size where there is no communal space, and they can still do this under the legislation covering new minimum room sizes.

Q. Does an en-suite shower/bathroom count towards the size of the room?

A. No. This has caused much consternation among landlords who have upgraded their rooms and now find they are not allowed to let them. Ill-thought out in my opinion and nothing at all to do with quality of accommodation for tenants.



Q. I have been told that a room only needs to be 1.5m high. Is this correct?

A. No. 1.5m is the minimum height at which space can be included in the room measurements, to cover things like loft conversions where the ceiling slopes.

- For new builds, the minimum floor to ceiling height is 2.3m for at least 75% of the Gross Internal Area: <http://bit.ly/MaryLathamYPN126-SpaceStandards>
- For existing buildings, the minimum height usually applied is 2.14m for at least 75% of the floor area. Local authorities can apply their own minimum, so check before carrying out any work.

Even if a local authority were to allow a ceiling height of 1.5m, how many tenants would be too tall to stand up straight in that room? Therefore, what would be the chances of letting it?

October 2018. Local authorities should be mindful that HMOs are residential properties, and as such, they should provide a comprehensive and frequent waste collection service for such households which is free at the point of use; this includes HMOs which are occupied by students. **Accordingly, it would not be appropriate for local authorities to levy commercial waste charging on such residential properties, or seek to impose such charging via any scheme or direction.**"

This will be a relief to many landlords, but it doesn't remove the danger of individual council tax bands being put on HMO bedrooms, which remains a cause for concern.

ARTICLE 4

Q. I've got permission to develop a property into a five-bedroom HMO in an Article 4 area. Do I still need a licence?

A. Yes. Licensing and Article 4 are not connected.

Article 4 Directions are planning controls. This is where a planning department has withdrawn what would normally be permitted development of a family home into an HMO. It doesn't matter if there is no building work to be done, permission is needed for the change of use just as it would be if you wanted to change the house into a shop.

If the planning department do grant permission, they will have strict criteria. You can go ahead and develop the HMO but will still need to contact the HMO licensing department to meet their criteria, then apply for a licence if the property meets the criteria.

Information on Article 4 Directions, Mandatory, Additional or Selective licensing will be on your local authority website.

More general information is available here: <http://bit.ly/MaryLathamYPN126-Article4>.

EVICCTIONS

Q. I need to get rid of a tenant and don't know where to start. My letting agent said he can do everything for me and I won't need to go to court. Is this true?

A. Your letting agent can help you through the process but cannot go to court for you. He can accompany you as a **McKenzie Friend**. Only a qualified solicitor can go to court on your behalf without you needing to be involved. A case in the summer highlighted this – *Kassam v Singh*: <http://bit.ly/MaryLathamYPN126-KassamvSingh>

ACCESS TO RENTED PROPERTIES

Q. Can I make it a term in my contract that the tenant allows the cleaner to clean their bedroom every month?

A. No. The law protects a tenant's right to "quiet enjoyment". Nothing in a contract can remove that legal right. If you put that term into a contract it will not be enforceable and may be seen as harassment.

If you want to offer a cleaning service, have the conversation at the viewing so that the tenant understands your preference and can tell you at that point if they don't agree. They could still change their minds after moving in though, because it will always be their legal right. They can even change the lock on their door to enforce that right.

Q. Do I need to give my HMO tenants 24 hours' written notice each time the cleaner or a contractor is coming?

A. If you let rooms individually, no notice is needed for you or your agent/cleaner/contractor etc, to enter the **communal areas** of the property. It is considerate to let them know though, either by making it a regular visit at a given time and day or just texting in advance, but you do not have to. Landlord, agent, cleaner nor anyone else can enter tenants' individual rooms without their permission unless there is an emergency.

If you have let the whole HMO on one contract to a group of friends, then yes, you must give a minimum 24 hours' written (not text) notice, because there are no communal areas. The whole property is let by a group just as it would be as a single let.

You cannot enter without their permission.



Q. My tenant has changed the locks on my property and will not give me a key. My contract says that they cannot do that. Can I change them back?

A. No. See above. Every tenant has the right to keep anyone out from a property they are renting, including the owner or agent. Even if they have not paid the rent! It's really annoying at times, but it is the law and is meant to protect tenants from intrusion into their homes by landlords or letting agents.

I know of cases where a letting agent will give a group of prospective tenants the keys to view a property which is occupied, often without even telling the current tenants that there will be viewings. Who would pay if something went missing? The landlord of course!

When a person has been given keys to live in a property, that person has legal possession. The owner has very few rights unless he has a court order.

- The landlords instructed a tenant eviction specialist in the belief they could carry out the whole process
- The eviction specialist carried out the Section 8 eviction process
- Possession was granted but put aside on appeal
- The case was appealed on the several grounds, but for the purpose of this article the important one which is:

"The Judge was wrong to not strike out the claim in light of the fact that the claim had been issued and prosecuted in breach of section 12 Legal Services Act 2007."

Schedule 2 paragraph 4 (1) of the Legal Service Act 2007



provides that: The "conduct of litigation" means –

- (a) the issuing of proceedings before any court in England and Wales,
- (b) the commencement, prosecution and defence of such proceedings, and
- (c) the performance of any ancillary functions in relation to such proceedings (such as entering appearances to actions)

The lesson here is: if you need legal services, pay a qualified and insured solicitor. To do anything else is to risk the legal process dragging on and on ...

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





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THE “DEMISE” OF SECTION 21

By **Paul Shamplina** of Landlord Action for YPN Magazine

The no-fault eviction procedure was introduced under Section 21 of the 1988 Housing Act, enabling landlords to evict their tenants at the end of their fixed term contract with two months' notice and without a specific reason.

Following rapid growth of the private rented sector over the past decade, now accounting for approximately 9million renters, the government is under increasing pressure to find ways to improve security for tenants.

One argument is that private tenants have no long-term right to stay in their homes and can be ordered to leave without explanation. This has led homeless charities to campaign for the abolition of Section 21.

Through my eviction company, Landlord Action, we have acted on more than 35,000 instructions over 19 years, and I believe that getting rid of section 21 would not only be extremely detrimental to landlords, but in fact fuel the housing crisis and put vulnerable tenants at even greater risk of homelessness.

Landlords serve Section 21 notices for a whole host of reasons, including breaches of tenancy, needing to sell their property/ move back in themselves, or to remove tenants who have been advised by their local council to stay put until they have a court order and can be re-housed. Some tenants do not know the reason they have been issued a Section 21 notice because it is a no-fault eviction notice, therefore landlords are not obliged to give a reason. But for many landlords, Section 21 notices are a lifeline without which some could face having their properties repossessed.

Yes, it is true that the majority of evictions are on no-fault grounds but, contrary to recent reports, it is rarely because landlords are evicting tenants for simply raising maintenance complaints. In fact, the number one most common reason for landlords to serve a Section 21 is rent arrears. Unfortunately, the court systems are simply too slow to keep up with the number of possession cases. For this reason, many landlords choose to use the

accelerated possession procedure instead of a Section 8, even though they forfeit the opportunity to recover outstanding rental money, because it can be a faster way of recovering the property so that it can be re-let.

A recent report by the Citizens Advice Bureau claimed that tenants who complain about issues like damp or mould have a 46% chance of being issued with a Section 21 eviction notice within six months. They feel that the introduction of the Deregulation Act 2015, which includes provisions against retaliatory eviction (preventing landlords from evicting tenants for making legitimate complaints about the condition of their property), have not worked.

Personally, I would dispute this. Of course, there are some cases where landlords choose to remove their tenant rather than bother to make repairs and improvements, but these are in the minority. I believe measures to prevent retaliatory eviction introduced as part of the Deregulation Act 2015 are working but the market needs more time to adjust. At Landlord Action, we have certainly started to see a decline in the number of landlords using Section 21 over the past six months. This is supported by figures released earlier this year by The Ministry of Justice (MoJ) showing the number of accelerated possession cases

(Section 21 no-fault eviction) are in fact on a downward trend, with nearly 5,000 fewer cases in 2017 than in 2016. Previous figures had followed a modest upward trend since 2010.

Recently, a petition demanding the abolition of Section 21 was delivered to the Secretary of State. It argues that all tenants should have an automatic right to remain in a property indefinitely, unless they break the terms of the contract. While I agree many tenants would benefit from added security, what this petition does not consider is the negative consequences for tenants and landlords of abolishing Section 21. If the government removes a landlord's right to evict tenants after the fixed term of their contract has ended by giving two months' notice, the most vulnerable renters will find it much harder, if not impossible, to find homes.

As an example, consider a student or someone who has low income and as a result fails their credit check. Often, these tenants manage to secure tenancies by using guarantors and then go on to prove themselves as absolute model tenants. Introducing indefinite tenancies could result in a mass exodus of landlords, which in turn would escalate the already dire shortage of rental homes. Fewer rental homes will mean that the landlords who remain will be able to cherry-pick the best tenants leaving those in less fortunate positions even worse off.

At the end of the day, buy-to-let is a business, so what landlord is going to let a property to someone who seems nice but might struggle to pay the rent when they have a choice between them and a rock solid applicant? Any legislative changes need to provide a good balance between protecting the interests of tenants but also the investments of landlords.

www.landlordaction.co.uk

“Through my eviction company, Landlord Action, we have acted on more than 35,000 instructions over 19 years”

PAUL SHAMPLINA



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DO I NEED TO RAISE THE STANDARD OF MY HMO?

By **Andy Graham**



There has been a lot of chatter across the property investment community over the past few months about possible HMO saturation. More specifically, how much longer the evolving and progressing design and specs we've been seeing splashed all over our phone screens can be sustained. Can it really continue much longer?

Can even the best properties maintain good occupancy levels?

Will HMOs still be an effective investment strategy beyond 2018?

My answer is a clear and resounding **YES**. But, to succeed, it will be crucial to understand how important the specification of your property is.

I'm not politically minded, but as a landlord, investor and business owner, it would be unwise of me to look the other way right now. A hard-left Labour threatens the very fabric of property investment, and the right haven't done landlords any favours over the past couple of years. We've barely swallowed down the Section 21 tax changes of 2017 before being force fed an extension to HMO licensing policy last month.

In a cathartic attempt to lift my spirits from this doom and gloom, and to keep abreast of the PBSA blocks in the city, this month's article is full of inspiring examples of the very best HMOs we've done this year.

It's also aptly timed as we kick off the 2019/2020 student letting season. There are plenty of ideas you can put to good use in your HMO which will help ensure you let all rooms for the best rents possible.

The young professional lifestyle today is vastly different to that of past generations, and the stereotypical hysteria of student life has changed from what it used to be. The standards of shared accommodation and HMOs for young people have risen; properties are becoming more creative and students are surprisingly soberer.

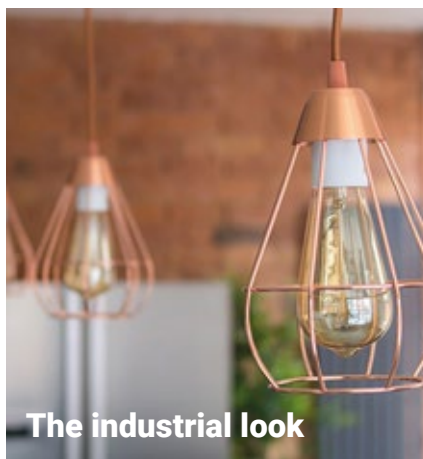
Thanks to the influences of platforms such as Instagram, Pinterest and Facebook, the focus is now on sophisticated living. To stay in the game, you will need to think about your HMO design ideas to ensure you can offer the right value.

1/ PICK A DESIGN

It's no longer enough to assume magnolia walls, faux leather sofas and durable flooring solutions will get you the results you need. 2019's HMOs need character and they need to be on trend.

It's easy to think that a slap of colour here and there will be enough to achieve this, but not anymore. If you don't plan this well, you can quickly end up with a mismatch of colours, furniture and materials that don't look right and ultimately will leave you struggling to find tenants.

Our most popular design ideas of 2018 were the industrial look and the contemporary style.



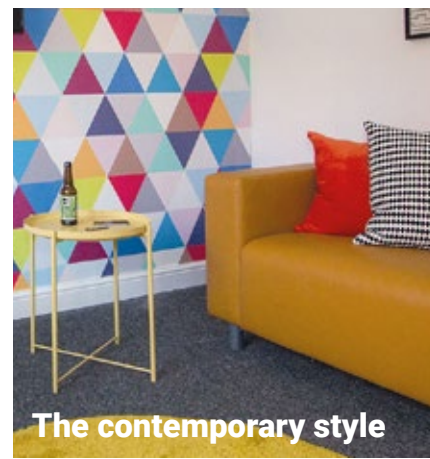
The industrial look

The great industrial design incorporates open plan spaces with original features, such as exposed rough brick walls, concrete surfaces and hard wood floorings.

To make this effective, you should keep decorating simple and use accent colours selectively. Stick to darker, vintage-looking furniture, especially in communal areas. And why not try some industrial lighting features such as dome pendants or Edison bulbs for authenticity?

Metal conduit trunking used in the right way can have a great impact. By shopping around, you'll find an abundance of faux materials such as brick wallpaper, laminate flooring and furniture stores that can provide the industrial look you want on a budget.

For bathrooms and kitchens, metro tiles with a grey grout are a simple, cheap and effective way of achieving an industrial look. A matte grey kitchen design such as the Howdens Greenwich range is bang on trend for 2019.



The contemporary style

The most important and distinctive element of a contemporary style is line. Whether it's straight, vertical, horizontal or curved, strong visible lines are evident in any contemporary house design.

And the great news for landlords when referring to contemporary interiors, less is always more. Some simple but very effective ways of achieving this look is to use square edge worktops as opposed to rounded ones, using sleek handleless kitchen cupboard doors and simple tile designs. Choose a good feature wallpaper, such as a striking geometric pattern.

By using blinds instead of curtains, and by making sure your furniture matches, you won't find it difficult to achieve this look.

Some of IKEA's budget-range sofas are great for achieving this style inexpensively.

2/ DETERMINE THE PURPOSE OF EACH ROOM

Ask yourself what it is your tenants want and need from their house. Is a bedroom really just a bedroom?

By spending time browsing social media platforms and interior design websites for inspiration, you will find innovative ways to better service your tenants.

We are forever posting cool and unique ideas on our social media and website pages, but most of our tenants are busy students and they tell us they want a practical, minimal and social space. That's why we make good use of storage areas, we place more emphasis on communal spaces and keep bedroom furniture to a minimum.

- **Bedrooms.** A bedroom isn't just a space to get a head down every night. It's a private retreat, a study area or an extra place to hang out with friends. You can take advantage of large bedrooms by adding a separate sofa area. Or make better use of a large, quiet attic space by installing a separate study zone with additional workspaces and storage.

Prospective tenants will put your property straight to the top of their list because they can see themselves living there when they view it.

- **Kitchen.** Cooking and eating are very much a part of the student and professional lifestyle, and beans on toast are no longer their staple diet. Smashed avocado, gourmet dinners and Gousto home deliveries are more like it.

Tenants want plenty of functional worktop space, cupboard storage and communal dining features. While kitchens were once just for cooking, now they are for (co)living.

American fridge freezers, five burner hobs and double ovens are a sure-fire way to grab the interest of prospective tenants. Throw a kitchen island or breakfast bar into the mix and you've got yourself a winning combo.

It goes without saying that modern, fitted kitchen units are a necessity. While you might pay a little more for handleless kitchen doors, they are much easier to clean, much more durable and look great.

- **Living room.** The living room is where tenants go to kick back, relax and unwind after a long day at work or university. They provide a cocoon from even the worst hangovers. And most importantly, they are the epicentre of communication and laughter, both critical to ensuring your tenants get along.

However, as these rooms have become progressively more lived-in, they've also fallen victim to prioritising function over style, something most student landlords have fallen foul of. All too often I am having to advise landlords that the old three-plus-two-seater-sofa arrangement with an inherited coffee table is no longer meeting the expectations of today's tenants.

A mixture of seating orientated in effective ways can make a room feel less like a waiting room and more like a cool bar scene. Perching areas with bar stools offer variety and a different dynamic, and a good-sized central coffee table encourages tenants to sit meaningfully together too.

It goes without saying that tenants expect a giant flat-screen TV equipped with Amazon Prime and Netflix and some comfortable loungy sofas, so they can slouch into a marathon box set binge!

3/ FIND THE BEST ROOM LAYOUT

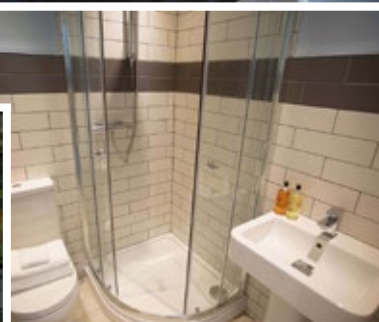
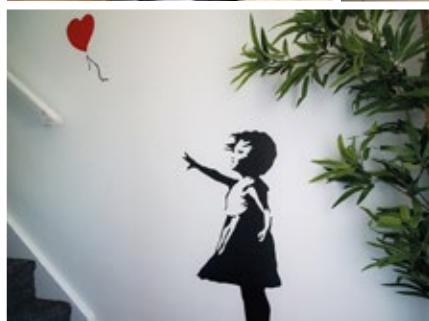
It's easy to get this wrong and even easier to get it right. Start by picking a focal point for the room — in most cases the TV in the living room, or the bed in the bedroom — and build your arrangement around that point.

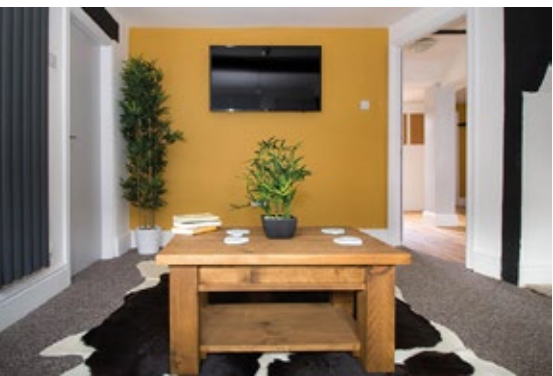
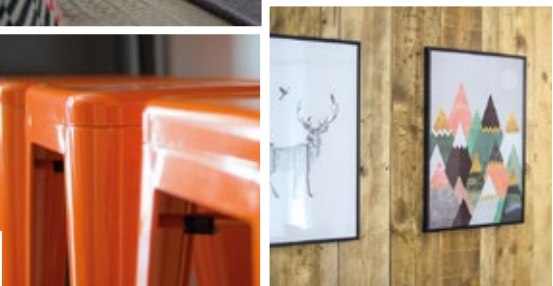
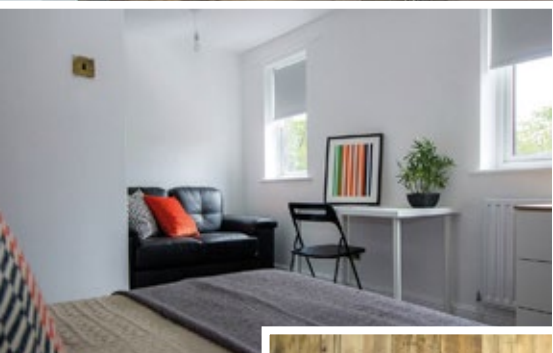
The important thing is that every piece of furniture feels as though it was purposefully placed to work with the rest of the items in the room. Students and professionals typically want less furniture, so this should be kept simple. Proportion is the key, though. To do this, make use of the golden ratio, an equation that says that furniture arrangements are most aesthetically pleasing when they are kept to a 2:3 ratio. For example, the coffee table is two-thirds the length of the couch and the couch is two-thirds the width of the rug.

To achieve the best layout, it's worth mapping out some floor plans, certainly before you commence a refurb. These don't have to be exactly to scale, but a relatively accurate idea will avoid the disaster scenario of having to return large furniture items.

Alternatively, if you are tech savvy and want something more accurate, there are several downloadable apps out there in which you can input measurements and the hard work is done for you. Magicplan is a good one and is available from the App Store for free.

Each room in your HMO will have its own unique dimensions. Spending time at the house will help you to create the perfect layout. Think about the size and scale of the space you are working with. If you are tight on room, try to construct multi-use areas and take advantage of space-saving solutions like alcoves, under stairs access, and using vertical radiators to free up valuable wall space.





5/ EFFECTIVE LAYERING

Effective layering is key to bringing any design concept to life, and the importance of this shouldn't be understated.

We take layering seriously because it allows us to get evergreen photographs – images for advertising that can be used for several years – and it make a house feel more like a home.

The key is to pick and choose how you layer, and this in part will depend on the design concept. We've recently used some interesting wall covering such as timber panelling, which has been a big hit with tenants.

4/ EFFECTIVE LIGHTING

Good lighting doesn't only affect the perceived size of a room, but it also changes the ambience, people's mood and how a space can be used. Strategically positioned lights and uplights, as well as using the correct lights in the first instance, will help diffuse light around a room which naturally make people feel comfortable. The same goes for outdoor lighting, it's not only a safety concern.

Having a central source of ambient light in every room is fundamental to a good lighting plan. Most of the time we use a central pendant light which is fine, but spotlights work well too ... sometimes better. You can then add accent lighting which draws attention to specific areas.

We use this to great effect over kitchen islands, breakfast bars and perching areas.

- **Wall coverings:** This includes feature paint, wallpaper, cladding or vinyl stickers
- **Flooring:** Solid wood flooring, laminates, carpet, vinyl or tiles
- **Furniture:** Sofas, sofa chairs, coffee and side tables, beds, desks, wardrobes and bedside tables
- **Textiles:** Pillows, blankets and rugs
- **Wall hangings:** Shelves, canvas prints, framed artwork or photography, mirrors and even funky botanical features
- **Decor items:** Plants, coffee table or bedside books, trinkets and throws

EXPERT OPINION

FROM STUART SCOTT



Landlords are having to adjust to become marketeers and product designers. As markets become more competitive, the strength of the product is essential to win market share.

There are numerous examples of premium brands such as Apple and Dyson entering seemingly saturated markets yet becoming very successful in creating a new niche. It is important to understand customer needs and design products that solve their problems.

Identify where your target demographic live, and invest in providing the best product in that location. Design a product that is purposefully created for groups of people and therefore helps build a community.

Young people are looking for experiences and any product that provides a great experience will stand out above competitors and achieve better occupancy.



Photos courtesy of Stuart Scott



GET IN TOUCH

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

Email: andy@smartproperty.co.uk
 Website: smartproperty.co.uk
 Instagram: [@smartpropertyinvestment](https://www.instagram.com/smartpropertyinvestment)
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BOILER EFFICIENCY

By David Lawrenson

In last month's YPN, David Lawrenson of LettingFocus looked at everything you need to consider when buying a new boiler. In part II of his article, he looks at boiler efficiency.

For many years, I wondered why, after I'd installed a new boiler in my own house or in one of my BTL properties, it never seemed to save all that much money on heating bills compared to the old one.

Well it seems we now know the answer ... it has been revealed that for years we have been mis-sold on the efficiency of boilers.

In the summer, a whistle blower said that the energy performance labels on boilers are typically overstating the efficiency by 10%. This is because the official EU tests used to generate the scores do not reflect how most people heat their homes.

Under EU rules, every boiler sold must have a water heating score from A to G, thus rating the boiler efficiency.

You will see the label clearly on all boilers.

Most of the 1.6million boilers sold in the UK every year come with an A rating, indicating an efficiency of 80% or above. The problem is that the tests used to get the A grade bear little relation to how the boilers are really going to be used in practice.

It works like this: British homes, on average, use around 80 litres of hot water each day. Yet, most energy labels you see on the boilers base their efficiency score on consumption levels of 325 litres a day. Much more typical of a small commercial launderette than a home.

Why are the tests so wrong?

Well, it seems that a quarter of the EU testing committee who dictate what the tests should be also have interests in boiler manufacturing. The members of the committee include Vaillant and Bosch, the two biggest German boilermakers, who have no fewer than seven members on the committee.

It's just like the Volkswagen dieselgate scandal, but worse. Because this test is sponsored by the EU states themselves.

BOILER CENTRAL HEATING EFFICIENCY

In addition to providing the hot water boiler efficiency score, EU rules also specify boilers to have a rating of A+ to G for how well they do on the central, or room, heating. An A rating means an efficiency above 90%.

But here too, the tests do not reflect how most people use boilers in real life. They tend to involve an assumption that people run them at 35 degrees Celsius half of the time. In practice, boilers that run at 35 degrees Celsius do not provide enough central heating nor enough hot water performance. In our coldish UK climate, the norm is to run them at 70 degrees Celsius.

Boilers working at lower temperatures are more efficient because they recover energy escaping in the flue. This process is known as condensing. However, boilers working at full whack are unable to condense much, if at all, so are therefore much less efficient.

The report on all this first appeared in The Times newspaper over the summer.

The paper looked at efficiency data for five boilers. Their energy labels gave both central heating and hot water efficiency ratings of A. Yet in real world conditions, they only scored a B rating for central heating.

Others are concerned too. The Building Research Establishment (BRE), the independent body that sets the UK's building control standards, has concerns about the labelling regime, and produced an internal report looking at boiler efficiency. It stated that none of the 500 boilers analysed over the previous four years satisfied the required 92% efficiency for building regulation standards, when the results were corrected for observed bias.

So, when you hear all the guff about how the new generation of boilers are so great, you can shut your ears a bit.

The reality is that the old boiler you have isn't that bad. And if you can still get the parts for it, and it is still safe, you should keep it going.

Of course, eventually too many things can go wrong and it then becomes economic to replace it. After all, you don't want to be in the middle of winter when it packs up for good.

But make those decisions when the time comes on whether to replace or not, without being swayed by false arguments about the new boilers' far superior efficiencies. They may be better, but not as much as the industry has been claiming.

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".



AVOID TENANT PUNCH UPS

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

Couples split up and friends fall out, it's a fact of life. But when your tenants start squabbling and they each blame the other for damage to a property, what should you do?

If your tenants have signed a joint agreement, my advice would be not to get involved.

One of the advantages for landlords to have joint tenancy agreements is that it avoids the need to wade into a dispute between two or more tenants.

DAMAGE TO YOUR PROPERTY

If tenants can't agree who is responsible for any damage to a property, its contents or excessive wear and tear, the landlord is entitled to deduct the full amount from the deposit or charge all tenants equally.

It might seem unfair, especially if one tenant insists they're not to blame, but landlords can't possibly act as judge and jury.

I recently had a situation where two tenants were leaving because they'd fallen out and each blamed the other for a stain on the carpet. I had no idea who was telling the

truth, so I just deducted half the cost of the damage from the deposit they'd paid jointly and left them to argue it out.

WHEN TENANTS FALL OUT

If any of your tenants decide to leave during the fixed term of tenancy, you're within your rights to insist the full rent is paid by all the tenants named on the contract.

Of course, you could allow the outgoing tenant to find someone to replace them. But if this isn't practical, the remaining tenants are equally liable for the rent.

BREACH OF CONTRACT

Obviously, if a tenant is breaking their terms of contract, or is making a total nuisance of themselves, you may need to evict them. The issue with having a joint tenancy contract is you can't evict only one tenant. You must evict all of them.

If any tenants remain in the house, you need to issue them a new contract. Don't assume that the old one is still valid, otherwise you might end up losing out by trying to be nice.

I once asked a tenant to leave because he was upsetting his three flatmates and affecting their health. Being a bit of a soft touch, I agreed to end his tenancy on condition that the remaining tenants found someone to take his room.

TOP TIPS

1. **Maintain an open dialogue from the start.** This will minimise any disputes further down the line
2. **Ensure your tenants can communicate with you.** Give them both your email and your mobile number. Just specify the time and days they can get in touch with you
3. **Go around once every few months.** There's likely to be a list of snags and it's worth getting them all sorted in one go. You also can assess your tenants' current situation by asking a few questions
4. **Be sympathetic.** It's a business and an income for you, but it's a home for your tenants. Remember you have come together for different reasons
5. **Never underestimate the value of a good tenant.** That's one that not only pays the rent on time but looks after the property. Plus, don't let a situation or disagreement turn sour, that bit is your responsibility

A LESSON LEARNED

I fulfilled my end of the deal but they didn't manage to find a new flatmate.

Unfortunately, I hadn't realised that by asking one guy to leave I'd terminated the contract. I therefore couldn't insist the remaining tenants covered the entire rent. As harsh as it sounds, I should have told them to sort out their squabble themselves.

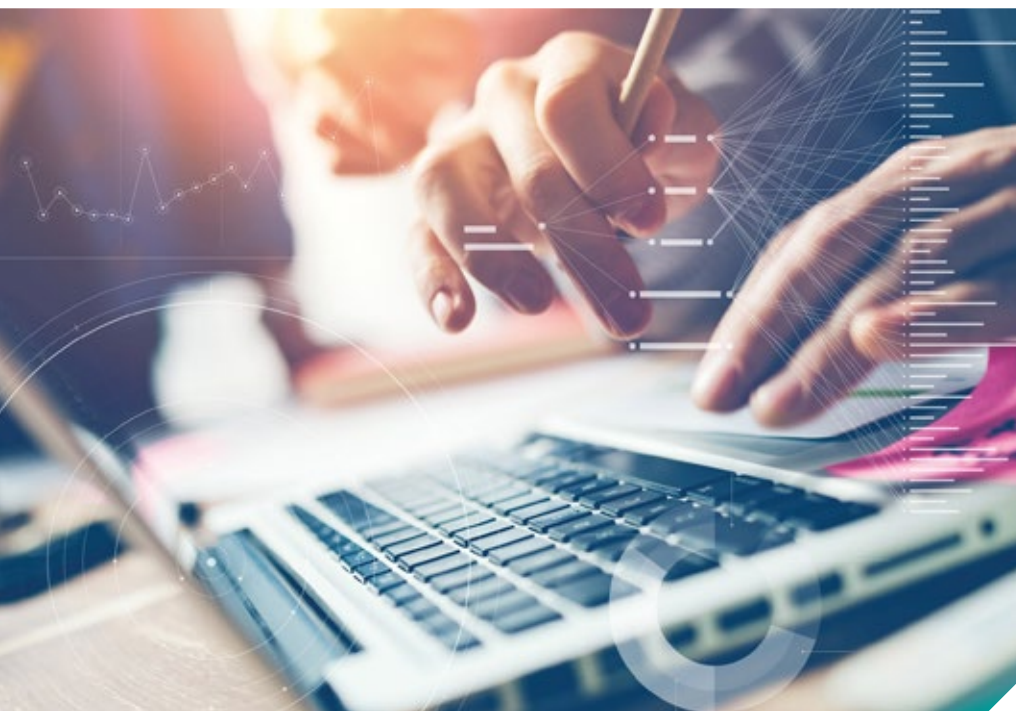
It's worth considering how involved you want to get with your tenants when deciding whether to let an HMO on a joint tenancy agreement or on a per-room basis. While you might get more rent letting by the room separately, having tenants on a joint contract means you're less likely to be drawn into any disputes.

James



HOW TO MANAGE YOUR PASSIVE INCOME PART 2

By **Jacquie Edwards**



In last month's article, we talked about why you should be delegating your responsibility as a property investor, as opposed to dumping that responsibility to chase the dream of passive income.

This month, I want to go into a bit more detail of how you can do that by setting up key performance indicators (KPIs) and a rhythm of review with your letting agent or property manager.

Quick aside – I see a letting agent as an external company hired specifically to manage your properties along with managing other people's properties. They have their own systems and processes. A property manager is someone hired or contracted to manage your properties and will follow your systems and processes. They are usually only managing your properties.

Both are options for your portfolio and depends on personal preference. I have a property manager because I love to build and create systems and processes and I want it all done my way. I know most other people prefer a letting agent who already has the systems and processes in place.

As long as you have the right level of review in place, which we talk about next, you can use either one in pretty much the same manner.

First, understand what is important to you. Do you care about ensuring the capital value of your property is maximised? Do you want to focus on providing housing to charities? Do you just want to have bog-standard houses that give you a bit of cash each month? Or do you want high cash flowing HMOs? What do you personally need and want from your portfolio?

By determining what is important to you and writing it down in a quick brief, you will be able to educate your letting agent/property manager as to what they should be focusing on.

For instance, if your most important value is to provide housing for single mothers coming out of abusive relationships, then you'll probably be upset when you learn that your properties have been turned into HMOs for young professionals. Whereas if your most important goal is to maximise your monthly profits you'd probably be happy with high-end HMOs.

But you are the one who has to decide on these things, as only you know what you need. And then you need to communicate it to your team. I suggest you write a

one-page summary of what's most important to you, and who your ideal tenant is, to give to your agent / property manager so they know what you are thinking and understand your goals.

Next, I suggest having at least one monthly meeting with your letting agent / property manager. This might be need to be more or less frequent, depending on the size of your portfolio. The meeting doesn't need to last hours ... in fact my weekly meeting with my property management team is usually less than 30 minutes, and I do it from the comfort of my home via video call every Monday morning.

To make this meeting effective and efficient, you need to spend some time setting up your KPIs based on what is important to you. Then you need to have a report with that key information provided to you before each meeting.

Most of this information should be easy to gather by a good agent. If they can't provide this information, it is probably a sign that you need a new agent. I would suggest that you look at things like:

- **Number of properties / rooms void**
- **Monthly cost of voids**
- **Monthly rent collected**
- **Tenancies approaching their end date**
- **Number of viewings to let a property**
- **Number of days it takes to let a property**
- **List of maintenance issues**
- **Monthly cost of maintenance**
- **Number of overdue payments**
- **Amount of overdue payments**

As your portfolio grows, you will likely see things like the monthly cost of voids increasing. But you should also be able to calculate it as a percentage of your overall profits, which ought to stay relatively stable.

If you see that both are increasing rapidly, you will be able to look into it a bit more and make sure your agent / property manager is on top of the issue before it gets out of control.

This review is to help you identify problems before they become a big issue. In theory, you shouldn't get to the point where a tenant hasn't paid rent for six months. You would know about it a lot earlier so you can make sure your agent is acting on it.

Property Go-To Girl

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



A BEGINNER'S GUIDE TO CRYPTOCURRENCIES

PART 1

By **Marcus de Maria**

Back in 2016, I read that some cryptocurrencies had gone up by 5,000% in just 12 months. I decided to do some research, fast. This is what I found: \$100 worth of Bitcoin bought in 2010 would now be worth over \$27million.

How could I have missed out on those returns? Fast forward to today, I have bought over 60 different cryptocurrencies and 70 initial coin offerings (ICOs) using speculation money. You have to be in the game to win it.

WHAT ARE CRYPTOCURRENCIES, OR CRYPTOS?

Cryptocurrencies are digital currencies which can be used to digitally transfer money to another person safely, without having to use intermediaries, human bureaucracy or trusted third parties. For instance, a bank has to verify that you sent the money and it is now no longer yours. In addition, it does it much faster, and at a fraction of the cost. The way it provides safety is two-fold. The first is that it uses encryption technology, hence the name cryptocurrency. It is based originally on Alan Turing's work. He deciphered Nazi code during World War II using a machine considered to be the precursor of the modern-day computer.

The second way is to have a public ledger, where all the transactions are kept. Thousands of computers around the world are linked together to display this ledger, which refresh and update every ten seconds.

This network of computers is called a blockchain, which verify every transaction. With thousands of computers linked up all over the world saying the same thing, the ledger's integrity is upheld.

WHY WOULD ANYONE USE THEM?

Recently, I wanted to send some money over to the USA.

To do that, I had to pick up the phone to my bank. I spent eight minutes stuck in a queue listening to music just to start the process.

I was then charged for sending the money, plus an extortionate foreign exchange rate which did not resemble the real rate. Also, as the transaction was made via an intermediary bank, I was told that they would likely charge me as well, although they couldn't tell me how much.

The money, I was told, would be there within three to five working days. The whole thing probably cost me over \$200 if you include the foreign exchange rate, maybe more. I agreed to everything because, well, I don't have many alternatives.

With cryptos, I can send Bitcoins directly to another person from my computer to theirs within ten minutes. There is no spread, no intermediaries and it might cost me \$10 maximum. Recently, as much as \$210 million was transferred from one account to another for \$0.10.

If you want to save a lot of time and money, then cryptos are the way to go.

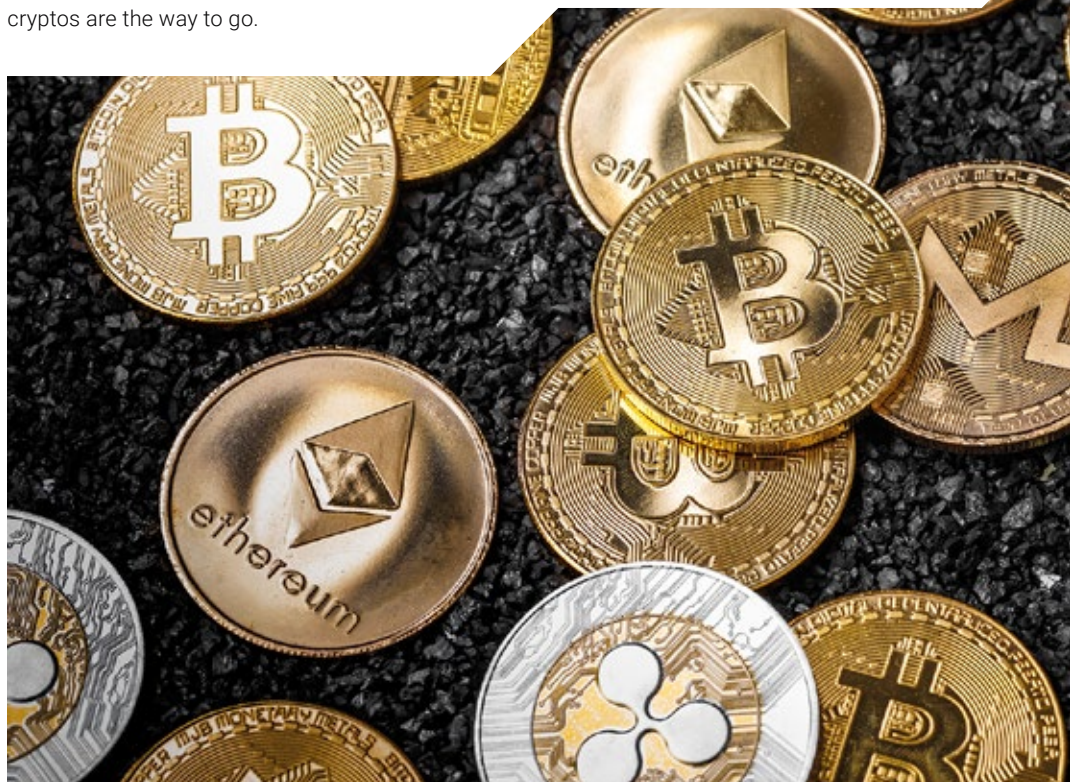
ARE THERE DANGERS?

Yes, many. This is a totally new and unregulated industry, meaning if you are hacked and they take your Bitcoin, you will not be compensated.

New launches of coins are increasing and no one knows which ones will vanish and which ones are here to stay. Due to this uncertainty, price swings of 30% are not uncommon. At the moment, only invest money if you are willing to lose.

Having said that, I do think cryptos are here to stay. To suggest otherwise would be like saying the internet was a fad when it first started. Which cryptos are here to stay, however, is almost impossible to guess.

Investing in cryptos is not for everyone. Can you stomach that kind of volatility and be prepared to lose all your money? I don't know many people who can. But with the potential gains to be made, it might be worth the risk.



A QUICK HISTORY OF MONEY

Since humans have roamed the earth, people have used something scarce as a source of value. At the start, they used the rarest of sea shells. Then came coins made of precious metals. Next was paper money backed by a precious metal like gold.

The idea was that you could literally walk into a bank and ask for the equivalent of your bank notes in gold. Then paper was taken off gold and was not backed by anything, allowing the printing of money to flourish. This is the current fiat money.

The problem is that fiat money is not scarce. More money can be printed, and every year it is worth less. The only store of value that retains its value is gold. But gold is not easy to store, sub-divide or transport.

Scarcity is an essential part of cryptos. Take Bitcoin for example. Only 21million will ever be made, so scarcity is part of the system. It is also easy to store, subdivide, send and transport, along with being less costly.

HOW MANY ARE THERE?

There are currently over 2,000 different coins. Some are legitimate, and some may not be. Please do your own research.

The main five by market capitalisation are:

- **Bitcoin**
- **Ethereum**
- **Dash**
- **Ripple**
- **Ethereum Classic**

Bitcoin and Ethereum are the most widespread by far. Imagine them like the reserve currency of the crypto world. If you wanted to invest in other cryptos, then you must purchase Bitcoin or Ethereum with your local currency first. Other cryptocurrencies can then be bought using one of these currencies.

WHAT HAVE THE RETURNS BEEN?

Since the beginning of 2017, Bitcoin's price has risen from approximately \$1,000 to \$19,000, an 1,800% return in 12 months, not too shabby. Since then, it has pulled back to \$6,500, 550% gain.



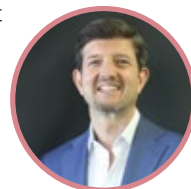
Ethereum rose from \$11 to \$1,400, percentage-wise much more than Bitcoin but has now pulled back to just over \$200, a gain of approximately 1,900%. This was very exciting, although I'm not sure emotions are good when it comes to trading and investing.



IS IT TOO LATE TO GET INTO CRYPTOCURRENCIES?

It is still very early on and anything could happen. There will no doubt be new cryptos that will also have meteoric rises. But whether you are in the know and can buy in time is another matter altogether.

Marcus



Start your cryptocurrency journey by downloading my latest book *Profiting from Cryptocurrencies* by visiting www.crypto-wealth.io.



ELITE PROPERTY TRIBE 2019

OPEN FOR APPLICATIONS NOW

I am opening the doors to the Elite Property Tribe 2019, and taking applications for people interested in becoming well-oiled, all-round property investors. The Elite Property Tribe is a programme like no other. It is designed to be more of a hand-holding programme over a 52-week period, with:

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- ▶ Speak to me five days a week by booking a call
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- ▶ Task accountability and check in
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There's lots more too. If you like the thought of getting involved and want to know more, please visit **www.elitepropertytribe.co.uk** or email me directly at **arsh@arshellahi.com**

Arsh Ellahi



Elite
PROPERTY TRIBE

DOORS NOW OPEN FOR FEBRUARY 2019



INSIDE GUIDE TO PROPERTY DEVELOPMENT & INVESTMENT FOR NEWCOMERS

By **John Howard**

With over 35 years' experience in the industry, John Howard has a wealth of property knowledge. But in his book, he reassuringly keeps the concepts of becoming a property investor simple and easy to understand.

The book is well laid out into two sections covering the basics and in-depth analysis of property development, with each section split into bite-sized, easy-to-follow chunks of information.

In the introductory section, John highlights his significant experience as an investor, estate agency owner and Director of Auction House. But he reminds readers that the purpose of the book is to guide the newcomer and help them avoid the many pitfalls in property investing.

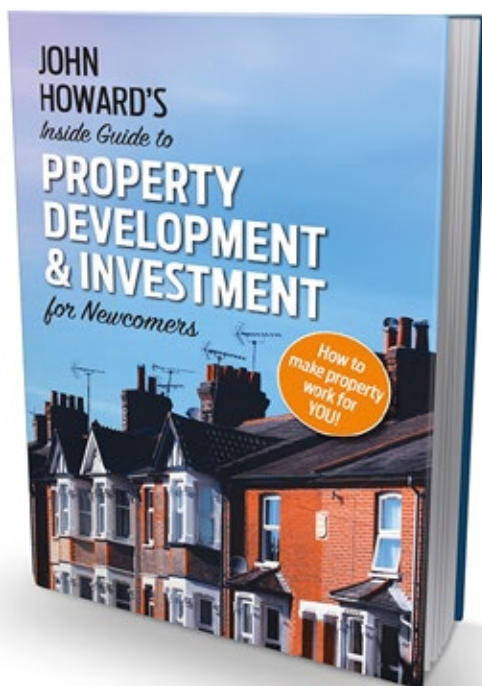
In the first chapter on getting started, John advises the reader to identify what they want to achieve in property – this will be down to personal interests and the availability of funds. Does one embrace property full time or do it part time alongside a job? The former is harder, as you are then totally reliant on property for an income – but this could come from property investments, deal packaging, property management or management of refurbishments. Making profit is the key, so finding a deal with a decent profit margin based on all costs is paramount; buying at a good discount and adding value both become important considerations.

The next chapter is all about finding deals and John covers various resources with **great tips** for each resource: estate agents; deal finders; auctions; direct-to-vendor advertising; on-line sites etc.

In the section on putting a deal together, John covers all the essential elements of the buying process including getting your team in place – broker, solicitor and builder. You'll need to assess the cost of works and establish the new value if you are to make a profit: cash or equity.

Based on your analysis, you'll need to make an offer and if accepted, start the ball rolling by instructing your broker and legal team. Once all queries have been dealt with, exchange of contracts/completion can occur and you are now the proud owner!

Prior to agreeing a purchase, you might need to negotiate the price and Chapter



Four provides several tips to achieve this, eg meeting the seller and building rapport to get a better deal.

If your plan is to sell a refurbished property, then Chapter Five provides lots of guidelines to speed up the sale including: making sure your team is ready, getting a sales pack together including various certificates.

One key tip is to get the local searches done on behalf of the buyer as this will speed up the sale – these last three-six months.

Ensure the property is the best it can be for marketing and choose the best local agent, ideally the same agent you purchased it from.

In an ideal world you'll get a number of offers and you can choose the **best buyer**, ie one who can proceed quickly. John's view is that all properties will sell – **if they are the right price.**

As a property buyer, you will need funds and John highlights the various sources out there, with his own extensive experience thrown into the mix: JV partners, banks and building societies, bridging finance, mortgages and private loans.

The second part of the book covers certain aspects of investing but in more depth. It kicks off with trying to decide what type of property to buy as there is a lot of choice out there.

Does one buy in a town or more rural properties, residential versus commercial, houses versus flats or perhaps new builds? Each has its own merits and John carefully describes each one with its pros and cons.

Closely aligned to which property you buy, is deciding on the level of property development. As he says in this chapter: *"In the 35 years of operating in this business, I've never had a project come in on time AND budget."* There is hope for all of us yet!

The next section of the book is about full refurbishments and John outlines the specialists you might need, tips for renovation and working on listed buildings and in conservation areas.

Although much of the book is about buying properties to sell on, developing to hold as a rental is covered in Chapter Nine. One should always have a plan B if a property doesn't sell, and renting it out is one option. John covers the key aspects of this strategy: buying in the right areas, deciding on whether capital growth or rental yield is more important to you, standard BTL versus HMOs.

Deciding on the right type of property is complemented by lots of tips on self-management.

Returning back to the theme of having a great team, the last few chapters focus in more depth on finding and working with the right builder, solicitor, estate agent and accountant. In line with the rest of this book, John provides a wealth of information from his many years in the industry.

WHO IS THIS BOOK FOR?

This book is written mainly for the newcomer in an easy to follow conversational style and provides informative and sensible guidance and tips. Even though John has a huge amount of experience, and the book could have been made difficult to understand, he has kept it simple and jargon free. He has provided an excellent resource for the aspiring investor. *I also picked up a few nuggets.*

Book reviewed by:

Raj Beri

www.rajberi.co.uk

Email: raj@rajberi.co.uk



THE JARGON BUSTER

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

ACV	Asset of community value				
ADR	Alternative Dispute Resolution				
AI	Artificial intelligence				
APHC	Association of Plumbing and Heating Contractors				
ARLA	Association of Residential Letting Agents				
Article 4	An Article 4 Direction removes permitted development rights within a specified area designated by the local authority. In many cities with areas at risk of 'studentification', there are restrictions on creating HMOs so you will have to apply for planning permission. Check with your local planning authority.	CGT	Capital gains tax	HMO	House of Multiple Occupation
AST	Assured Shorthold Tenancy	CML	Council for Mortgage Lenders	HNWI	High Net Worth Individual a certified high net worth investor is an individual who has signed a statement confirming that he/she has a minimum income of £100,000, or net assets of £250,000 excluding primary residence (or money raised through loan secured on that property) and certain other benefits. Signing the statement enables receipt of promotional communications exempt from the restriction on promotion on non-mainstream pooled investments. (Source: FCA)
AT	Assured tenancy	CPD	Continuing Professional Development		
BCIS	Building Cost Information Service – a part of RICS, providing cost and price information for the UK construction industry.	CPT	Contractual periodic tenancy		
		CRM	Customer relationship management (eg, CRM systems)		
BCO	British Council for Offices	CTA	Call to Action		
BIM	Building information modelling	Demise	A demise is a term in property law that refers to the conveyance of property, usually for a definitive term, such as premises that have been transferred by lease.	HP	Hire Purchase
BMV	Below market value	DHCLG	Department of Housing, Communities and Local Government (formerly DCLG – Department for Communities and Local Government)	HSE	Health and Safety Executive
BRR	Buy, refurbish, rent out			ICR	Interest Cover Ratio
BTL	Buy-to-let	DoT	Deed or Declaration of Trust	IFA	Independent financial advisor
BTR	Build-to-rent	DPS	Deposit Protection Service	IHT	Inheritance tax
BTS	Buy-to-sell	EHO	Environmental Health Officer	JCT	Joint Contracts Tribunal – produce standard forms of construction contract, guidance notes and other standard forms of documentation for use by the construction industry (Source: JCT)
CCA	Consumer Credit Act	EIS	Enterprise Investment Scheme		
CDM	Construction Design and Management	EPC	Energy performance certificate	(contract)	
		FCA	Financial Conduct Authority	JV	Joint venture
CIL	Community Infrastructure Levy - The Community Infrastructure Levy is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. (Source: planningportal.co.uk)	FHL	Furnished holiday let	JVA	Joint venture agreement
		FLEEA	Insurance cover for Fire, Lightning, Explosion, Earthquake and Aircraft impact, but no other perils. Some times issued for a property that has been empty for some time	KPIs	Key Performance Indicators
		FPF	Financial Policy Committee	L8 ACOP	Approved Code of Practice L8 – Legionella Control and Guidance
CIS	Construction Industry Scheme – Under this, contractors deduct money from a subcontractor's payments and pass it to HMRC. These deductions count as	FRA	Fire risk assessment	LACORS	Local Authorities Coordinators of Regulatory Services
		FSCS	Financial Services Compensation Scheme	LHA	Local Housing Authority
		FTB	First time buyer	Libor	London Inter-Bank Offered Rate
		GCH	Gas central heating	LLP	Limited Liability Partnership
		GDP	Gross domestic product	LTV	Loan To Value
		GDPR	General Data Protection Regulation	MCD	Mortgage Credit Directive (European framework of rules of conduct for mortgage firms)
		GDV	Gross Development Value	MVP	Minimum viable product
		HB	Housing benefit	NALS	National Approved Letting Scheme
		HHSRS	Housing Health and Safety		

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-notice 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-notice 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)



NETWORKING EVENTS In YOUR Area

ZONE 1

Blackfriars pin

4th Tuesday of the month

Crowne Plaza, 19 New Bridge Street, Blackfriars, London, EC4V 6DB

Host: Fraser MacDonald

www.blackfriarspin.co.uk

Canary Wharf pin

1st Thursday of the month

De Vere Conference Suite No. 1

Westferry Circus, London, E14 4HD

Host: Samuel Ikhinmwin

www.canarywharfpin.co.uk

Clapham pin

1st Tuesday of the month

Crowne Plaza London - Battersea

Bridges Wharf, Battersea,

London SW11 3BE

NEW Host: Stuart Ross

www.claphampin.co.uk

PPN London St. Pancras 05/12/2018

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 11/12/2018

Leo Nova South, 160 Victoria Street

Westminster London, SW1E 5LB.

Host: Pippa Mitchell

progressivepropertynetwork.co.uk/knightsbridge

PPN Blackfriars 10/12/2018

Crown Plaza, 19 New Bridge St, London,

EC4V 6DB **Host:** Kevin McDonnell

progressivepropertynetwork.co.uk/mayfair

PPN Canary Wharf 12/12/2018

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-Kensington-Chelsea-Property-Group/>

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>

PropMeet/

Global Investor Club London

2nd Thursday of every month

City Business Library, Guildhall, London

EC2V 7HH **Host:** Jan Kortyczko

fb.com/GICLondon **Please note** that most

speakers are presenting in Polish

Holborn Property Meet

3rd Monday of the month De Vere Grand

Connaught Rooms - Registration: 6.30pm,

Talks: 7.30pm **Host:** Giovanni Patania

<https://www.holbornpropertymeetuk.com>

Premier Property Meet

2nd Thursday of every month from

6.30pm The King's Head Pub, 1 The

Premier Property Club Wembley
4th Wednesday of each month - Doors open 6.30pm Holiday Inn Wembley Empire Way, Wembley HA9 8DS

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

ZONE 2

Cambridge pin 4th Thursday of the month
Holiday Inn Cambridge Lakeview, Bridge Road, Impington, Cambridge, CB24 9PH
Host: Christine Hertoghe
www.cambridgepin.co.uk

Essex pin 3rd Tuesday of the month
Orsett Hall Hotel, Price Charles Avenue, Orsett, Essex, RM16 3HS
Host: Reegan Parmenter
www.essexpin.co.uk

Norwich pin 2nd Tuesday of the month
Holiday Inn, Ipswich Road, Norwich, Norfolk, NR4 6EP **Host:** Nigel Garioch
www.norwichpin.co.uk

PPN Ipswich 10/12/2018
Best Western Ipswich Hotel, Old London Road, Copdock, Ipswich, IP8 3JD
Host: Halstead Ottley
progressivepropertynetwork.co.uk/ipswich

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

Colchester Property Circle
1st Thursday of each month - 7.00pm
Trotters Bar, Middleborough, Colchester CO1 1QX **Host:** Phil Sadler
<https://www.eventbrite.co.uk/e/colchester-property-circle-networking-meet-up-tickets-52411199308>

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
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

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

PMA Kent
2nd Wednesday of every month
Bridgwood Manor Hotel, Walderslade Woods, Chatham **Hosts:** Estelle Barnes and Dimpy Pathak
www.pmanetwork.co.uk/events

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

Brighton pin
3rd Thursday of the month
The Courtlands Hotel, 19-27 The Drive, Hove, East Sussex, BN3 3JE
Host: Peter Fannon
www.brightonpin.co.uk

Basingstoke pin
4th Wednesday of the month
The Hampshire Court Hotel, Centre Drive, Great Binfield Road, Chineham, Basingstoke, RG24 8FY
Hosts: Seb and Aga Krupowicz
www.basingstokepin.co.uk

Kent pin
1st Thursday of the month
Village Hotel Club, Maidstone, Castle View, Forstal Road, Sandling ME14 3AQ **Hosts:** Martin and Sarah Rapley
www.kentpin.co.uk

Southampton Property Hub Meet Up
1st Thursday of every month
The Maritimo Lounge 1 Moresby Tower Admirals Quay, Ocean Way, Southampton SO14 3LG
Host: Sarah Smith
<https://www.facebook.com/propertyhubsouthampton/?fref=ts>

Thanet Property Network Second Wednesday of the 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

Midsurrey Wealth Investing Network WIN 2nd Wednesday of each month
The Station Pub, The Broadway Stoneleigh, KT17 2JA
Host: June Cruden
www.wealthinvestingnetwork.com/midsurrey

PDPLA
2nd Monday of the month
The Inn Lodge, Burrfields Road, Portsmouth PO3 5HH. 7:30
Host: Joan Goldenberg
www.pdpla.com



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

04/12/2018 The Ocean Beach Hotel & Spa, East Overcliffe Drive Bournemouth BH1 3AQ.

Host: Leigh Ashbee progressivepropertynetwork.co.uk/bournemouth

PPN Swindon 11/12/2018

Holiday Inn Swindon, Marlborough Road, Swindon, SN3 6AQ **Hosts:** Nick Chawala, Allan Harding and Aritri Mukherjee progressivepropertynetwork.co.uk/swindon

PEN Exeter

3rd Tuesday of the Month

Gipsy Hill Hotel, Gipsy Hill Lane, Exeter, EX1 3RN **Host:** David Harwood www.pen-exeter.com

PEN Wiltshire

Last Tuesday of the Month

Stanton Manor Hotel, Stanton St. Quintin, Near Chippenham, Wiltshire, SN14 6DQ **Host:** Neil Stewart www.penwiltshire.com

Professional Investment Group (PIG) - Plymouth

3rd Monday of the month

Boringdon Hall Hotel and Spa, Boringdon Hill, Colebrook, Plymouth, PL7 4DP **Host:** Angelos Sanders www.pig.network

Bristol BMV Property Options

Last Thursday of every month

The Holiday Inn, Bond Street, Bristol, BS1 3LE **Host:** Del Brown www.bmvpropertyoptions.co.uk/ property-investment-meeting-pin

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>

ZONE 5

Birmingham Central pin

1st Thursday of the month

Novotel Birmingham Centre Hotel, 70 Broad Street, Birmingham, B1 2HT **New host:** Dan Norman 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 Hunnabale www.blackcountrypin.co.uk

Coventry and Warwickshire pin

2nd Tuesday of the month

Village Coventry, Dolomite Avenue, Coventry Business Park, Coventry, CV4 9GZ **Host:** Sebastien Buhour www.coventrypin.co.uk

Worcester pin 1st Wednesday of the month

The Pear Tree Inn & Country Hotel, Smite, Worcester, WR3 8SY **Hosts:** Andy & Karen Haynes www.worcesterpin.co.uk

Stoke-on-Trent pin 2nd Thursday of the month

Holiday Inn Stoke on Trent M6, Jct. 15. Clayton Road, Staffordshire, Newcastle Under Lyme, ST5 4DL **Host:** Steve and Emma Barker-Hall www.stokepin.co.uk

PPN Wolverhampton 04/12/2018

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 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 13/12/2018
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 11/12/2018
Nelsons Solicitors, Sterne House,
Lodge Lane, Derby, DE1 3WD
Hosts: Mike Alder & Jamie Hayter
progressivepropertynetwork.co.uk/derby

PPN Leicester 03/12/2018
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, Steveage
Road, Knebworth Park, SG1 2AX
Hosts: Stephen & Bridget Cox

Milton Keynes Property Meet
2nd Monday of the Month
National Badminton Centre, Bradwell
Road, Loughton Lodge, Milton Keynes,
MK8 9LA **Host:** Sharad Patil
www.mk-propertymeet.com

UK Property Network Leicester
2nd Tuesday of the Month
The Field Head Hotel, Markfield La,
Markfield, Leicestershire, LE67 9PS
Host: Tracey Hutchinson
www.meetup.com/UKPN-Leicester

Landlords National Property Group
1st Monday of the Month
The Derbyshire Hotel, Carter Lane East,
Derby DE55 2EH **Hosts:** Paul Hilliard
and Nick Watchorn www.lnpg.co.uk
EPN Nottingham 4th Thursday of the
month Crowne Plaza Hotel, Wollaton
Street, NG1 5RH, Nottingham
Host: Matt Tongue
<http://bit.ly/EPN-Nottingham>

St. Albans Property Meet
3rd Wednesday of the month 54-56
Victoria St, St Albans, Herts, AL1 3HZ
Host: Ranjan Bhattacharya
www.stalbanspropertymeet.com

Harlow Property Network
3rd Wednesday of the Month
Day Barn Harlow Study Centre
Netteswellbury Farm
Host: Ajay Pamneja
www.myproperty.coach
The Property Connect
First Weds or Thurs of every month
(alternate) 1900-2100
The Sharnbrook Hotel, Park Lane,
Sharnbrook, MK44 1LX
Hosts: Peter Hogan, Tiruven Pillay
<https://www.facebook.com/thepropertyconnect/>

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>



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
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.elitepropertiesolutions.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/



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 **New host:** Paul Bellas
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

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 11/12/2018

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

ZONE 10

Cardiff pin 2nd Tuesday of the Month

Mercure Cardiff Holland House Hotel & Spa, 24-26 Newport Rd, Caerdydd, Cardiff, CF24 0DD **Host:** Morgan Stewart
www.cardiffpin.co.uk

Swansea pin 4th Thursday of the Month

Village Hotel, Langdon Road (Off Fabian Way), SA1 Waterfront, Swansea, SA1 8QY **Host:** Bernadette & Ian Lloyd
www.swanseapin.co.uk

ZONE 11

Belfast pin 1st Tuesday of the Month

Balmoral Hotel, Blacks Road, Dunmurry, Belfast, BT10 0NF **Host:** Ian Jackson
www.belfastpin.co.uk

Belfast Property Meet

1st Thursday of the Month
The Mac Theatre, St. Anne's Square, Belfast **Host:** Chris Selwood
www.belfastpropertymeet.com

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.

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PROPERTY AUCTIONS DECEMBER 2018

LONDON

Allsop Commercial 04/12/2018 The Berkeley, Wilton Place, London, SW1X 7RL

Acuitus 05/12/2018 Radisson Blu Portman Hotel, 22 Portman Square, London, W1H 7BG

McHugh & Co 06/12/2018 The Montcalm Hotel, 34-40 Great Cumberland Place, London, W1H 7TW

Strettons 10/12/2018 Grand Connaught Rooms, Great Queen Street, London, WC2B 5DA

Harman Healy 10/12/2018 12:00 Kensington Town Hall, 195 Hornton Street, London, W8 7NX

Phillip Arnold Auctions 10/12/2018 12:00 Doubletrees By Hilton, 2-8 Hanger Lane, Ealing, London, W5 3HN

Auction House London 12/12/2018 12:00 London Marriott Hotel, Regents Park, 128 King Henrys Road, London, NW3 3ST

Andrews & Robertson 12/12/2018 The Montcalm Hotel, 34-40 Great Cumberland Place, London, W1H 7TW

Barnett Ross 13/12/2018 12:00 Radisson Blu Portman Hotel, 22 Portman Square, London, W1H 7BG

Network Auctions 13/12/2018 14:00 Grosvenor House Hotel, 86-90 Park Lane, London, W1K 7TN

Allsop Residential 13/12/2018 Cumberland Hotel, Great Cumberland Place, London, W1H 7DL

Barnard Marcus 17/12/2018 Grand Connaught Rooms, Great Queen Street, London, WC2B 5DA

NORTH EAST

Auction House North East 11/12/2018 19:00 Ramside Hall Hotel, Carrville, Durham, DH1 1TD

Agents Property Auction 12/12/2018 Newcastle Marriott Hotel, High Gosforth Park, Newcastle upon Tyne, NE3 5HN

NORTH WEST HOME COUNTIES

Auction House Beds & Bucks 05/12/2018 14:30 Venue 360, 20 Gipsy Lane, Luton, LU1 3JH

Auction House Beds & Bucks 06/12/2018 14:30 Hilton Hotel, Timbold Drive, Kents Hill, Milton Keynes, Buckinghamshire, MK7 6HL

Auction House Thames Valley 11/12/2018 12:00 The Pinewood Hotel, Wexham Park Lane, George Green, SL3 6AP

Romans 12/12/2018 13:30 Green Park Conference Centre, 100 Longwater Avenue, Reading, RG2 6GP

SCOTLAND

Wilsons (Scotland) 06/12/2018 19:00 Dalry Auction Complex, 6, Kilwinning Road, Dalry, KA24 4LG

Wilsons (Scotland) 18/12/2018 19:00 Dalry Auction Complex, 6, Kilwinning Road, Dalry, KA24 4LG

NORTH WEST

Smith & Sons 05/12/2018 14:00 Village Leisure Hotel, Pool Lane, Bromborough Pool, Wirral, CH62 4UE

Auction House Cumbria 06/12/2018 12:00 Carlisle Racecourse, Durdar Road, Carlisle, CA2 4TS

Auction House Cumbria 06/12/2018 18:30 Coronation Hall, County Square, Ulverston, LA12 7LZ

North West Property Auction - IAM Sold 06/12/2018 Village Urban Resort, Rochdale Road, Bury, BL9 7BQ

Edward Mellor Auctions 10/12/2018 13:00 AJ Bell Stadium, 1 Stadium Way, Manchester, M30 7EY

SDL Auctions Cheshire & North Wales 11/12/2018 11:30 Chester Race Course, Watergate Square, Chester, CH1 2LY

Auction House Manchester 11/12/2018 14:00 Manchester City Football Club Ltd, Etihad Stadium, Rowsley Street, Manchester, M11 3FF

SDL Auctions North West 11/12/2018 18:30 AJ Bell Stadium, 1 Stadium Way, Manchester, M30 7EY

Venmore Auctions 12/12/2018 13:00 Liverpool Town Hall, High Street, Liverpool, L2 3SW

Sutton Kersh Auctions 13/12/2018 12:00 The Crowne Plaza Hotel, 2 St Nicholas Place, Liverpool, L3 1QW

Auction House North West 13/12/2018 14:00 Bolton Wanderers Football Club, Macron Stadium, Burnden Way, Bolton, BL6 6JW

EAST MIDLANDS

SDL Auctions Graham Penny (Nottingham) 06/12/2018 11:30 Nottingham Racecourse, Colwick Park, Nottingham, NG2 4BE

Auction House Lincolnshire, North Notts & South Yorks 06/12/2018 18:30 Gainsborough Golf Club, The Belt Road, Gainsborough, DN21 1PZ

Shonki Brothers (Narborough Road) 12/12/2018 17:30 Leicester City Football Club, Filbert Way, Leicester, LE2 7FL

Auction House Copelands 12/12/2018 19:00 Chesterfield Football Club, 1866 Sheffield Road, Chesterfield, S41 8NZ

Midlands Property Auction - IAM Sold 12/12/2018 Village Hotel & Leisure Club, Brailsford Way, Nottingham, NG9 6DL

Auction Estates 13/12/2018 14:30 Nottingham Racecourse, Colwick Park, Nottingham, NG2 4BE

SDL Auctions Graham Penny (Derby) 14/12/2018 11:30 Pride Park Stadium, Pride Parkway, Derby, DE24 8XL

NORTHERN IRELAND

DNG Maxwell Heaslip & Leonard 06/12/2018 15:00 Radisson Blu Hotel, Lough Atalia Road, Galway

REA Leinster Auction 12/12/2018 15:00 Killashee Hotel, Kilcullen Rd, Naas

O'Donnellan & Joyce 14/12/2018 The Harbour Hotel, The Docks, County Galway

EAST ANGLIA

Auction House East Anglia 05/12/2018 11:00 Dunston Hall Hotel, Ipswich Road, Dunston, Norwich, NR14 8PQ

Cheffins 05/12/2018 14:00 Clifton House, 1-2 Clifton Road, Cambridge, CB1 7EA

Goldings 05/12/2018 14:15 The Atrium, Wherstead Park, Ipswich, IP9 2BJ

Auction House East Anglia 05/12/2018 18:30 Holiday Inn (Wolsey Room), London Road, Ipswich, IP2 0UA

William H. Brown (Norwich) 06/12/2018 12:00 Barnham Broom Hotel & Country Club, Honingham Road, Norwich, NR9 4DD

Auction House East Anglia 07/12/2018 12:00 Peterborough United Football Club, London Road, Peterborough, PE2 8AL

Brown & Co 12/12/2018 11:00 Assembly House, Theatre Street, Norwich, NR2 1RQ

YORKSHIRE & THE HUMBER

Northern Lincolnshire Property Auction - IAM Sold 04/12/2018 Forest Pines Hotel, Ermine Street, Broughton, Brigg, DN20 0AQ

William H Brown (Leeds) 06/12/2018 12:30 Leeds United Football Club, Elland Road, Leeds, LS11 0ES

Feather Smailes & Scales 06/12/2018 15:00 The Pavilions of Harrogate, Great Yorkshire Showground, Railway Road off Wetherby Road, Harrogate, HG2 8QZ

Mark Jenkinson & Son 11/12/2018 14:00 Platinum Suite, Sheffield United Football Club, Bramall Lane, Sheffield, S2 4SU

East Yorkshire Property Auction - IAM Sold 11/12/2018 Village Hotel, Henry Boot Way, Hull, HU4 7DY

Auction House South Yorkshire 12/12/2018 12:30 Copthorne Hotel, Bramall Lane, Sheffield, S2 4SU

Blundells 12/12/2018 13:00 Double Tree by Hilton Sheffield Park, Chesterfield Road South, Sheffield, S8 8BW

Auction House West Yorkshire 12/12/2018 14:00 Leeds United Football Club, Elland Road, Leeds, LS11 0ES

Regional Property Auctioneers 12/12/2018 14:00 Doncaster Rovers F.C., Keepmoat Stadium, Doncaster, DN4 5JW

South Yorkshire Property Auction - IAM Sold 13/12/2018 New York Stadium, New York Way, Don Street, Rotherham, S60 1FJ

WALES

All Wales Auction - South Wales Auction 04/12/2018 The Village Hotel & Leisure Club, 29, Pendwyallt Road, Cardiff, CF14 7EF

All Wales Auction - North Wales Auction 06/12/2018 16:00 Menai Science Park, Gaerwen, LL60 6AG

Town & Country Property Auctions Wrexham 10/12/2018 18:30 St. Davids Park Hotel, St. Davids Park, Ewloe, CH5 3YB

Seel & Co 11/12/2018 17:00 The Park Inn Hotel (Formerly The Moat House), Circle Way East, Llanedeyrn, Cardiff, CF23 9XF

SOUTH EAST HOME COUNTIES

Auction House Sussex 12/6/2018 14:30 The Villas, 21-23 Clarendon Villas, Hove, BN3 3RE

Hair & Son 12/6/2018 15:00 Saxon Hall, Aviation Way, Southend on Sea, SS2 6UN

Clive Emson Essex, North & East London 12/10/2018 11:00 The Chelmsford City Racecourse, Moulsham Hall Lane, Great Leighs, Chelmsford, CM3 1QP

Clive Emson Kent & South East London 12/11/2018 11:00 Clive Emson Conference Centre, Kent County Show Ground, Maidstone, ME14 3JF

Auction House Essex 12/11/2018 19:00 Marks Tey Hotel, London Road, Colchester, CO6 1DU

Clive Emson Sussex & Surrey 12/12/2018 11:00 Hilton Brighton Metropole, 106-121 Kings Road, Brighton, BN1 2FU

Pearsons Auctions 12/12/2018 11:00 The Hilton Hotel at The Ageas Bowl, Botley Road, Southampton, SO30 3XH

Clive Emson Hampshire & Isle of Wight 12/14/2018 11:00 Solent Hotel, Rookery Avenue, Fareham, PO15 7AJ

Fox & Sons (Southampton) 12/14/2018 13:00 Macdonald Botley Park Hotel, Winchester Road, Botley, Southampton, SO32 2UA

SOUTH WEST

Countrywide Exeter 06/12/2018 13:00 Sandy Park Stadium, Sandy Park Way, Exeter, EX2 7NN

Strakers 06/12/2018 19:00 Bath Racecourse, Lansdown, Bath, BA1 9BU

Clive Emson West Country 13/12/2018 11:00 St. Mellion International Resort, St. Mellion, Saltash, PL12 6SD

Auction House Bristol & West 13/12/2018 19:00 Ashton Gate Stadium, Winterstoke Road, Ashton Gate, BS3 2LQ

Auction House Devon & Cornwall 14/12/2018 14:00 Exeter Golf & Country Club Ltd, Topsham Road, Exeter, EX2 7AE

Symonds & Sampson LLP 14/12/2018 14:00 Digby Hall, Hound Street, Sherborne, DT9 3AA

WEST MIDLANDS

Auction House Staffordshire 05/12/2018 19:00 Stoke City Football Club, The Britannia Stadium, Stanley Matthews Way, Stoke-on-Trent, ST4 4EG

Auction House Birmingham & Black Country 06/12/2018 18:00 Walsall Football Club, Bescot Crescent, Walsall, WS1 4SA

Bowen Son & Watson 06/12/2018 Lion Quays Hotel, Weston Rhyn, Oswestry, SY11 3EN

SDL Auctions Bigwood 12/12/2018 10:30 Aston Villa Football Club, Trinity Road, Birmingham, B6 6HE

Cottons 13/12/2018 11:00 Aston Villa Football Club, Trinity Road, Birmingham, B6 6HE



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