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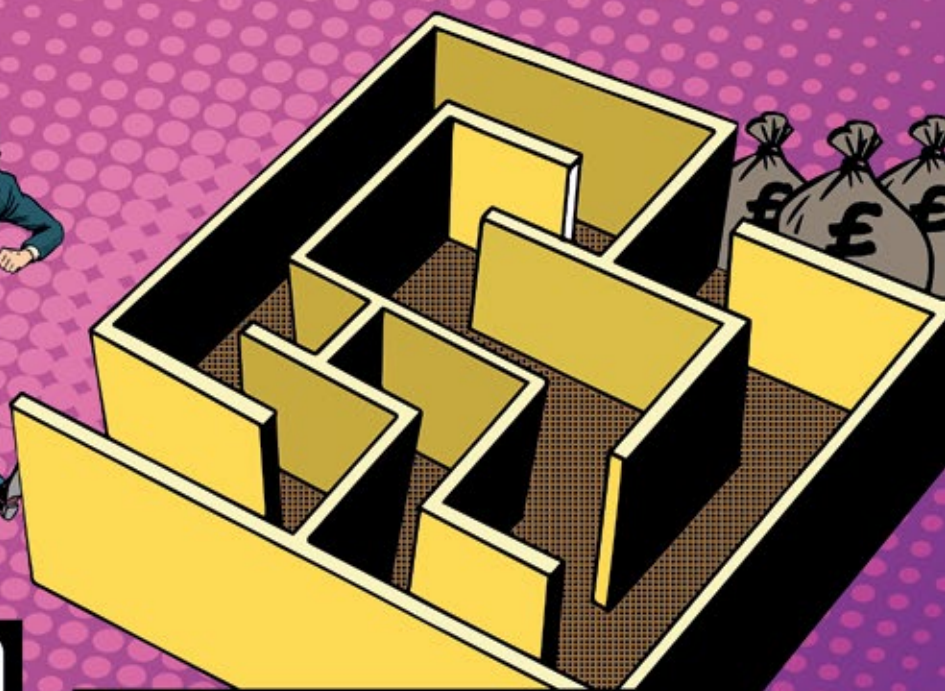
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SERVICED ACCOMMODATION SUCCESS

How to increase your bookings, get great reviews and streamline your SA business to get stunning returns from your properties

Case studies illustrate:

- Bookings worth £5k+ and £10k+ in the first 30 days
- 87% occupancy on a quiet month
- Reducing costs with longer term bookings



OSM EXPLAINED

An introduction to off-site manufacturing and modular building

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A PUB CONVERSION WITH A DIFFERENCE

An unconventional approach results in £4k+ pm cash flow

Plus

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How a devastating health challenge led to fulfilment through property

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MARK LLOYD

WELCOME TO YPN!

Whatever you do in property, if you want to do it more than once, then you have to create a process. Systemising may not be sexy, but it is essential if you want to grow your portfolio or business.

Serviced accommodation is potentially one of the most lucrative property strategies out there today – but also one of the most demanding in terms of time and physical resources. A venture into hospitality rather than the property industry, it's about as far from let-and-forget as it gets. From marketing your properties to handling bookings, checking people in and out, managing changeovers ... there's a long list of regular time-consuming tasks.

If you want to scale up, it's important to systemise from an early stage. There are economies of scale to be had as volume increases, so plan your growth carefully from the beginning to benefit from them.

I hope you enjoy this month's feature, with some very successful SA operators and specialists, on building a profitable, efficient serviced accommodation business that will yield great results without taking over your life. Which is surely the property holy grail we all aspire to.

There's plenty on other strategies too this month – including among other things a pub conversion that retains the pub/restaurant element, an introduction to off-site manufacturing and what investors can learn from sports psychology, along with the usual updates and insights for landlords.

Happy reading and investing!

Jayne Owen

EDITOR



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MAKE YOUR SA BUSINESS A SUCCESS!



Serviced accommodation is a strategy that's been taking the industry by storm over the last year or so. From corporate city centre apartments aimed at business people, to country houses targeting large groups for parties, or coastal retreats for couples to get away, there are plenty of options available, depending on where you are in the country and what floats your boat.

One thing is certain - the business of letting properties to guests for short stays can be very lucrative indeed. But before you take the leap into the unknown it's important to know there's a lot more work involved in operating and managing SA properties than some other strategies, so it's essential you know what you're getting into and that you treat it as a business from the outset.

This month, we meet five SA professionals who take you down the complicated, but very fruitful, SA road with the aim of helping you to navigate this strategy for yourself. But before you turn the page here are a few things to consider:

Know your occupancy rates to maximise your profits

Occupancy rates are key in SA and this all depends on your average nightly rate. Depending on your business model, you may only need to achieve 50% occupancy to hit break-even point, or in another you may need to hit 65%. It's up to you to calculate that and then make it happen.

The good news is that if 50% is your break-even, once you are in the realms of 70% and above, you can really start to ramp up the profits. Read more from **Dale Smith** to find out what other research you need to do and where you need to focus your attention to make this happen.

Become a marketing expert

All SA businesses rely very heavily on systems and marketing. Knowing your customers inside out and being able to communicate effectively with them online plays a very important role in getting your property seen and your rooms rented out.

A good place to start is identifying where the demand is and then working to specifically target it. Creating an ideal client avatar (ICA) might sound futuristic but it's a wonderfully useful tool to help you plan all your marketing activity, and comes highly recommended by **Jason Hulott**.

Then you've got to get your head around the many online travel agents (OTAs), so you know how to choose the right ones to target your customers. **Chris Peel** has plenty of advice for how to harness the OTAs, get higher placements in the rankings and, ultimately, improve your sales.

Whatever marketing strategy you choose, consistency is paramount. Whether you can only do one piece per week or one a day is totally up to you, but getting something out there regularly is key. Marketing is such an important part of running your SA business that four out of five of our contributors this month all offer guidance on how to do this. Check out their articles for some top tips on how to make this work.

Nail your systems and then manage it remotely

Due to the high turnover of guests you get with SA, managing the business can be very time-consuming, leaving you space for very little else. The good news is there are plenty of Apps and IT solutions that can easily baffle your brain when you're new to them, but once used to full effect can really help to improve the customer experience, as well as reducing the amount of human hours required.

So, when you're on top of your own systems it's completely possible to run your business remotely, by using teams in India, like **David Fernley and Amanda Walker**, or by using virtual assistants in Europe, like **Elmira**.

Managing your SAs remotely definitely seems to take the pain away and free up your valuable mind space, but getting this right can be a painstaking process that is not for the faint-hearted. Read more from **Elmira** to find out how she can help you.

Get a cuppa and dive right in

If you're considering adding SA to your arsenal, or you just want to know more about this profitable strategy, then pour yourself a drink, put your feet up and get stuck in to this feature. Grab your pen and notebook too, I can feel some scribbling coming on.

Happy SAing everyone

Heidi



THE BUSINESS OF HOLIDAY LETS

A FOCUS ON MARKETING AND INTEGRATION



By
**Dale
Smith**

Interview & words: **Raj Beri**

YPN interviewed Dale in August 2018 when he shared his background, how he got into property and how holiday SAs have become a core strategy for him and his family. In this article, the focus is very much on marketing and systemisation for their SA business.

YPN: Could you remind readers how you got involved in SA?

Dale: Having already been involved in property for some time, SA seemed an obvious evolution dictated by our location. In the August 2018 YPN article, I described Burnsyde Beach House, which was our flagship project and the one that opened up the SA (holiday let) business for us. We were looking at Burnsyde as a specific project but with SA in mind, so it became our first toe in the water SA investment but since then, the business has flourished.

YPN: What type of SA research did you undertake on the first unit?

Dale: Over the past few years, there has been a shift to more people holidaying in the UK and we've all heard the phrase "staycation". This is going to become more prevalent as we go through Brexit, so I'm quite excited about the prospect that brings to the holiday let market. Statistics published in July 2018 showed that the North Yorkshire coast was the most visited tourist spot in the UK in the first half of last year. Our first SA unit, Burnsyde Beach House was always going to be a good project in terms of SA due to its location and the finish we've produced, and the reviews/feedback we've had suggest that its seen as a unique holiday let.

The North Yorkshire coastline has historically been built on tourism and towns like Saltburn, where we are based, were very popular holiday destinations. The local holiday let stock is very average, so to differentiate ourselves from the competition we wanted to aim for the top end of the market and believed

that we could charge a premium nightly rate. With our first SA project, we wanted to go for a style that we personally liked and one that was guided by the positive feedback we had received. Initially, this was from an open day for local people and local businesses. We also got inspiring design ideas from other furnished properties and ultimately, we went with a balance of something modern that would appeal to a wide audience together with some traditional features to reflect the local area.

"Assessing demand can be a challenge but we were fairly confident it would work in our area and for our product."

As a general rule of thumb for SAs in our area, I would say that 50-55% occupancy and above would make SA worthwhile over single lets. We were confident that we could achieve this – as it turned out, in year one we achieved 87% occupancy and last year we hit 92% occupancy.

YPN: Can you point to specific attractions of doing holiday SA versus other forms of SA?

Dale: With holiday SAs, we are marketing for guests who want to stay somewhere nice and are likely to pay a premium for the right product. Because of the type of client we are dealing with, I'm pretty confident that we can charge a higher rate and achieve higher occupancy. In comparison, for the city centre SA model, people want to stay somewhere nice but are unlikely to pay a premium as the accommodation is primarily for sleeping

purposes. In the corporate market, there's often a lot of downward pressure on pricing because it's highly competitive, so you constantly have to drive more volume. In our business, most of our properties are priced at £125-£150/night and once you're over £100/night, it becomes much easier to drive profitability.

Our model has been driven by location but for anyone considering SA, I believe that the holiday letting market provides more opportunity for better revenue and a better margin, as people are willing to spend more money on holidays.

YPN: With SA, occupancy is particularly important so perhaps you could give the readers your views?

Dale: It very much depends on what the average nightly rate is and you can then drive occupancy on the back of that. In our business model, we need to achieve 50% occupancy to hit the break-even point – once you are in the realms of 70% and above, the business starts to become very profitable. We analyse everything over a four-year model ie we'll forecast what's achievable in year one and then project over the next three years. This timescale allows one to build databases of repeat visitors and enables you to more accurately predict and then increase occupancy and price points.

November and the middle of January are our quietest periods although we do attract holidaymakers all year round, so even the quieter months don't create panic in our business. Depending on the location of the property, we do offer accommodation to the contractor market and this is a market we are continuing to explore, especially for properties that don't quite sit right on the coastal locations.

The holiday let market in our region is traditionally seven nights in the summer



Rock Pipit Apartment



Oystercatcher Apartment



Rock Pipit Apartment

- BEDROOMS:** 1
SLEEPS: 2
BASIS: Management
LAUNCHED: December 2018
MARKETING CHANNELS USED:
- **OTA Channels:** Airbnb, Booking.com, TripAdvisor, HomeAway, Expedia
 - **Digital Marketing:** Facebook and Instagram Ads along with Google and Bing Paid Search
 - **Email Marketing:** New Year email campaign

FIRST 30 DAYS RESULTS:

23 reservations created generating future revenue of £5,377 in accommodation fares and £805 in commission-free cleaning fees.

COMMENTS:

These two properties have opened our eyes to the one-bedroom market and the revenue potential within this area. Typically we are pricing a one-bedroom property at between 70-75% of a two-bedroom property within the same area, and furnishings of the same standard.

months with shorter breaks available in the winter. One of our USPs is a two-night minimum stay policy across all properties, which means that we are completely flexible. To maximise occupancy we also make one nights available on the one and two bedroom properties. We were initially sceptical about demand and occupancy of the smaller properties, but they have performed well so we now have the full spectrum of holiday lets.

MARKETING

YPN: Since you launched your SA business what sort of marketing challenges have you faced?

Dale: The biggest challenge is probably the time of the month – people often tighten the purse strings over Christmas and the festive break. Nevertheless, January and February are our two busiest months in terms of booking revenue generated for the proceeding 12 months. We also own and run a marketing agency so from a marketing point of view, I think really being focused around those key dates is important – payday weekends, payday weeks proceeding thereafter are the busiest periods. We don't see a drop in the numbers of people visiting our websites but the level of bookings do fall, which means that people are actively researching. This then translates into bookings as payday approaches.

I have a background in sales and marketing so it's my role to look at the analytics and ask: "how can we drive more bookings?" As the business has grown, we've recently employed a business development manager and some of his roles include bringing more properties on board and looking at how we can further maximise occupancy rates. We're building a bespoke pricing model at the moment that allows us to address questions such as, "if we've got empty rooms in the next 15 days then is a 5% discount sufficient or should that be 10%?" With another person on the team, we'll be better able to scrutinise the analytics to look at occupancy, pricing and forthcoming events, and then price accordingly. The SA market is very fluid so you have to be looking at things daily to maximise your margin.

YPN: For marketing, how do you come up with a pricing model?

Dale: Some of it's dependent on the performance of the business but we are often pricing weekly (at least) or even

daily. We will price for the next two years and that will be set by seasonality, month, seasonal events, weekdays versus weekend etc. In terms of adjusting pricing, we'll look to the next few weeks to two months and try to secure bookings at the asking price. At about two to four weeks out, we'll start to incentivise bookings by offering discounts. Because our pricing structure is different to the competition, the off-the-shelf pricing tools don't work in our business so there is a lot of manual intervention to get the pricing right. We need a bit more sophistication in the business, hence the desire to build our bespoke automation tools.

CASE STUDY

ELYSIUM HOUSE, WHITBY

BEDROOMS: 3
SLEEPS: 6
BASIS: Management
LAUNCHED: September 2018
MARKETING CHANNELS USED:

- **OTA Channels:** Airbnb, Booking.com, TripAdvisor, HomeAway, Expedia
- **Digital Marketing:** Facebook and Instagram Ads along with Google and Bing Paid Search
- **Launch competition was activated across Facebook and Instagram across September and October to help build the initial database**
- **Email Marketing:** Launch email campaign

FIRST 30 DAYS RESULTS:

37 reservations created generating future revenue of £10,756 in accommodation fares and £1,480 in commission-free cleaning fees.

COMMENTS:

This property was the first holiday let property that offered 3 bedrooms, sleeping 6 guests within the Whitby market. The fast start on bookings and revenue (averaging just over £1,000 per day in booking revenue across the first 7 days of launching) gave insight to the demand for larger properties and group bookings. A three-bedroom property is attracting around 10% more per night than a two-bedroom property within the same area.



YPN: For someone new to SA as a strategy, where does one start with marketing?

Dale: OTAs (online travel agents) are critical to the SA business to drive volume. The ones we use as standard are: Airbnb, Booking.com, TripAdvisor, HomeAway and Expedia. No individual is ever going to replicate the reach these portals have, so it's about leveraging OTAs to drive volume. We view them very much as acquisition channels – thereafter, our job is to ensure that any repeat bookings are directly with us to avoid the OTA commission. Even if bookings via the OTA can be reduced by 10-15%, that'll have a massive financial impact on the business.

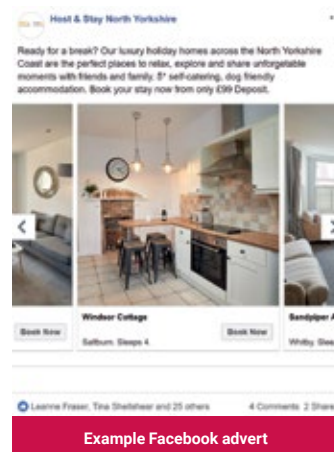
We do a lot of paid Facebook advertising – with digital marketing, it's a case of increasing the volume of visits onto our websites, and then tagging them for remarketing purposes if they don't convert on first visit. In preparation for bookings for the peak season, our marketing costs will be the highest during January and February. Locally, we're also doing some magazine advertising for brand awareness, although this type of marketing is not easily traceable and more difficult to attribute to a rise in bookings. For anyone starting out with SA, I would say focus on digital marketing because you can control your budget and you can more easily monitor results, and then

move onto the offline elements to create a halo effect.

YPN: Digital marketing is key to the SA business so tell us more about OTAs and setting up other forms of marketing

Dale: Most OTAs typically charge around 15-18% commission on bookings, but that commission is then split differently between the owner and the guest depending on the OTA, so this is something you need to think about when pricing the property. OTAs can be expensive but sites like Booking.com drive a lot of volume across our properties and have to be used to maximise occupancy, so one has to accept the initial OTA acquisition

costs and utilise them effectively. With respect to which OTAs to use, I would suggest that a presence on the five key platforms I have mentioned would give you enough volume to get things working well. Each of these have partner websites so you may end up on 25-30 platforms but whatever you decide, you'll need systems in place to ensure that calendars are synchronised to avoid double bookings.

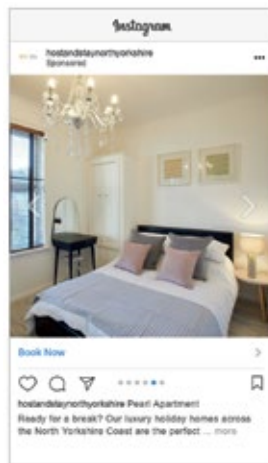


Example Facebook advert

I would also advise that a website should be set up ASAP! With our first SA project, we built a website as soon as we purchased the property and started to write blogs to build excitement throughout the project. We ended up creating a website for each subsequent property we set up although now, everything sits under one brand and one website.

We continually undertake

SEO work, but once the website is up and running we'll run Facebook and Instagram campaigns and Paid Search campaigns on Google and Bing. If you have the skills, you could do the marketing yourself or work with a marketing agency. For social media, we use Instagram and Facebook because they're highly visual so well-suited to a property business involving guests. We use these organically and for demographic targeting eg if we're trying to target the 40-60 age bracket, who perhaps have a dog or grandchildren, we can plug that information into the adverts to attract the right type of clientele. If we look at Paid Search, which is an in-market tool, we'll pick up traffic for anyone searching for "holiday accommodation North Yorkshire" or "holiday accommodation Whitby" as an example. Marketing is very much a stepwise approach ie start with OTAs and then put more of the profit back into driving direct bookings further down the line.



Example Instagram advert

SYSTEMISATION

YPN: Systemisation generally means "IT and people systems" – what IT systems have you tried in your business?

Dale: As far as IT systems are concerned you need a property management system (PMS) and a channel manager. For our first SA at Burnside Beach House, we implemented a PMS called InnStyle because it was user friendly for guests and integrated really well into our own website. It also integrated directly with Booking.com and Expedia but elements from Airbnb had to be imported manually. With the InnStyle system, we were able to grow the business to 10 properties but at that point we decided that it required too much people input to allow an effective scale up.

Last year we moved from InnStyle to Guesty as a PMS and we use Rentals United as the channel manager. Everything is now fully integrated so all the booking platforms we use integrate seamlessly into Guesty, but it's taken time to fully implement the switchover. Although Guesty costs more than InnStyle, we will be able to scale to 100-200 properties and beyond.

YPN: A key part of SA will be to find reliable trades – how have you optimised that side of the business and integrated it with the IT systems?

Dale: We don't meet and greet, so everything operates via police-certified key safes. Logistically, the people aspects are the most demanding part of the business, although we are quite fortunate because a lot of my own family are involved in the day-to-day operations. Over the past 10-15 years, we've built up teams that have worked on various projects and now can be utilised in the SA business. To scale up, we're currently recruiting more cleaners to work for us directly in full-time and part-time roles – currently our busiest days are Friday and Sunday, which are the key changeover periods. For linen changeover, we're setting up an in-house laundry facility rather than outsourcing. For property maintenance, we have three in-house people who can cover everything from plumbing, electrics to general maintenance but we have the scope to bring in other people as required. Our model is to keep things in-house to give us more control and maintain higher standards, although this will need reviewing as we scale to 200 properties and broaden our geographical areas.

If the guests have an issue, they can message us through the OTA platform or

they can email us directly. Out of hours calls get diverted to an answering service, which then sends us a text and email alert. Since the beginning of the year, we've provided YourWelcome tablets in every property, which the guests can contact us through or rate the property when they check in. In terms of responding to guests, the first port of call is my sister Emily who is the property manager and on-call 8am-10pm but we all see guest messages so anyone in the team can respond.



One of the advantages of the Guesty system is that all of our cleaners use the Guesty app and they can see check-in and check-out. We can then assign cleans to them directly, so if one of the cleaners is doing two cleans on a particular day, they'll see that within their task list. When they start, they click on the task, which starts a timer because we allocate a certain amount of time for each clean. We can see which cleans are in progress and we can see how long they've taken and all communication is done through the app.

YPN: What operational criteria do you deploy with respect to bookings, cancellations and guest reviews?

Dale: We have strict cancellation policies and anyone setting up SAs via OTAs will get a choice of different cancellation policies. Our standard procedure is to take a 25% deposit for the booking with the remainder payable 60 days before check in. For any booking inside 60 days, we collect the full payment at the booking stage. If a guest cancels with 60 days or more notice, they'll get a 100% refund. If they cancel between 30-60 days, we'll refund 50% of the balance but if they cancel inside 30 days, there is no refund.

In terms of reviews, each OTA platform will send their own email asking the guest to review the property. From our end, we also send each guest an email asking them for a review and we push all of our direct reviews onto TripAdvisor because lots of people look at this portal for reviews before booking. We also get reviews on Google and these can be

pulled into our websites - the more widespread your reviews, the better.

YPN: What tips can you share about marketing and systemisation?

Dale: If you're starting out, you need to pick your SA strategy based on your local area and based on the local demographics eg contractors, hospitals, tourists. To some extent, this will dictate your pricing. If you are in a position where you are happy to invest anywhere, you need to decide if it's purely SA you are interested in or holiday SAs as well. You then need to decide on your furnishing standard – we are at the higher end and typically we'll spend around £8,000 on furnishing a two-bedroom property to set us apart from the competition. The next phase is having your own website for direct bookings and eventually building a brand as your business scales up.

YPN: Have you implemented strategies to generate extra revenue from your guests?

Dale: This is something we have initiated with the introduction of the YourWelcome tablets in each property and we are exploring revenue opportunities with fast food outlets, taxi companies and even a local photographer. Another one on my radar for the next project we do, is to have a tie in with an interiors company where they can help furnish the property, and we can then cross-refer. So there are lots of opportunities on our radar and we'll be looking at these over the next 12 months. In addition, our 2019 objective is to have 50+ SA/holiday let properties under management and surpass £1,000,000 in booking revenue for the year.

CONTACT

If readers want to find out more about what you do or perhaps explore ways of working with you, what is the best way to get in touch?

SA investing

www.investicity.co.uk

Holiday let management business

www.hostnorthyorkshire.com

Guest stays

www.staynorthyorkshire.com

Email:

dale@investicity.co.uk

Click here to
listen to the full
interview with Dale

VIRTUAL ASSISTANTS MANAGE MY SA BUSINESS...

...SO I CAN WORK ON MY BUSINESS INSTEAD OF IN IT.

Interview & words
Heidi Moment

Serviced accommodation can be a time-intensive strategy getting the right systems in place and managing the guests and operations. Having a virtual assistant can take all the pain away, if you get it right. We met up with **Elmira** from **The Bath Apartments** and **VA4SA** to find out how.

WHAT ELEMENTS ARE INVOLVED IN RUNNING A SUCCESSFUL SA BUSINESS?

Running a serviced accommodation business comes in two parts, guest management and operations.

Guest management includes all communication with guests. Operations includes everything required to manage the property and have everything ready for your guests, including cleaners and linen.

At the beginning setting up the operations can be a challenge, but once you have a good system in place it can be relatively straightforward. More involvement is needed to communicate with and manage guests though, and this is where I've been focussing my energy for the last year or so.

WHY DID YOU NEED A VIRTUAL ASSISTANT (VA)?

Getting a good virtual assistant gives me two things, which are truly valuable to me:

Mind space

Managing and communicating with guests can be a time-consuming admin job, which can leave you tied in to that communication all day chasing people for rent agreements etc. It's easy to get bogged down in admin so you can't actually see the bigger picture. Chasing someone isn't a big deal, but it can take up valuable mind space, which prevents me from working on my actual business.

"Mindspace is a very valuable commodity, and is necessary to be able to grow a business"

Balanced life

Having a balanced life is really important to me. Running a successful business is great, but before I got a VA, if I went out on Friday or Saturday night I found I couldn't unwind or feel relaxed. I had to be by the phone all the time in case somebody called or messaged. I didn't want to live like that and had to find a solution.

WHAT WAS YOUR STRATEGY FOR FINDING A GOOD VA?

It was a challenge and, at first, a bit of a leap, because I felt uncomfortable sharing all my information with a stranger. I worried they might steal some information or, worse still, money. All these kinds of thoughts frighten you away from hiring a VA or an employee, partnering with someone and growing your business.

I had a few bad experiences at first. The first VA was a general virtual assistant who had other clients as well. I soon realised the SA customer requires more care and attention than a typical customer and a general virtual assistant couldn't provide that. The second was from the Philippines, and after a couple of months training, I realised she didn't have the right customer care skills or what it took to grow with the role.

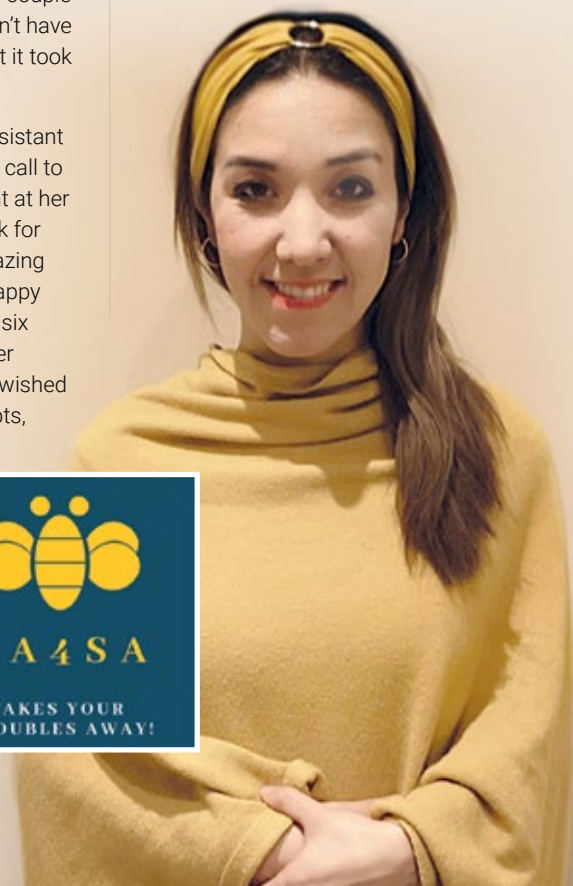
The third was a customer service assistant for a TV company I just happened to call to get my TV fixed. She was just brilliant at her job, so I invited her to come and work for me. She did and I found my first amazing virtual assistant. But there was no happy ending unfortunately – she left after six months to join a company with career progression. I didn't blame her and I wished her well, but after three failed attempts, I knew I had to rethink my strategy. I then realised I needed to strike a perfect balance of ambition, ability and flexibility. I also needed someone who doesn't crave for corporate ladder success.

NEW STRATEGY – WORKING MOTHERS

Now I target ladies who, for one reason or another, aren't in a position to get a full-time job and need to have flexible working hours. I need them to be solely concentrated on my business, and for my guests to get their full attention, so my guests are happy, they leave great reviews and come back to stay again and again.

"Reviews can make or break your SA business, so communication with guests is key"

The VAs in the UK can't offer that personal service and they usually have more than one client, as well as being more expensive. So I started looking further afield. I now have some excellent VAs working for me. They're all from overseas (Poland, Russia, Kazakhstan, Zimbabwe). All educated in Europe with great English language skills, and all mothers with babies so they're not looking for corporate jobs. I've enjoyed reaching out to these women, training them with new skills and helping them earn some much-needed money.





WHAT TASKS DO YOUR VAS DO FOR YOU?

We have two types of VA – guest communication virtual assistants and administrative virtual assistants.

Administrative virtual assistants do all the admin, including:

- doing market research
- filling out spreadsheets
- chasing invoices
- creating marketing materials
- finding supplies and buying them online.

Guest communication virtual assistants manage all the guest communication on the phone or through the booking channels, including:

- initial enquiries
- issuing rent agreements and getting them signed
- sending instructions and directions
- answering questions
- resolving any problems on arrival
- doing background checks to avoid fraud
- getting reviews
- handling problem guests.

WHAT ARE THE BENEFITS?



The biggest benefit is that I don't feel stressed anymore. I can see the messages coming in but I know they're being dealt with. I trust my team, which is really important. I'm not saying I've stopped working. That's definitely not the case. But now I can concentrate on growing my business and being more strategic.

In the early days of hiring VAs, I found myself thinking: *"It would be easier and faster for me to do it"*. But once I stopped myself doing this I saw a great change in myself and my business.

A good VA will also make suggestions to improve processes, which can be really helpful. Everyone sees things differently and as the person closest to the process, if they have any ideas for how things can be improved then I'm more than happy to listen

ARE THERE ANY DOWNSIDES?



Unfortunately there are downsides with everything. When hiring a VA you have to go through the pain of training her and getting her in the right place and then you might lose her overnight to another job, which can be very frustrating.

It can also be difficult to explain things remotely, when it would be easier to show it. So training can sometimes take longer than necessary, but you get there in the end.

Many people may think the cost element is a downside, however a VA is much more affordable than hiring a full-time employee, so the benefits certainly outweigh the cost.

ONCE TRAINED, HOW MUCH MANAGEMENT DOES IT TAKE FROM YOU ON A DAILY OR WEEKLY BASIS?

None whatsoever. I trust them to do their job. They might be doing it while they're at the pool with their son or out with their baby, but they are doing it. I don't intervene because I don't need to. I do sometimes check whether they've done certain tasks, and they always have, which is great. It only takes me seconds to check and then I can relax knowing everything is in hand.

IN GENERAL, HOW MANY HOURS A DAY WILL THE VIRTUAL ASSISTANTS WORK?

It's different per person and per day. I've heard some people say: *"If you've got a VA you need to control how many hours they work for you"*, but I disagree. It is not about the hours they work, it's about the responsibility they handle. If you only remunerate on the hours spent you won't have good VAs taking care of your business. Pay them to take care of the important tasks, regardless of how long it takes, and get your mind space back. That's the exchange. And it's totally worth it.

"It's not about the hours they work, it's about the responsibility they handle"

IS THERE ANYTHING ELSE WE NEED TO KNOW?

At the beginning you will have high expectations. You want your VA to be personable. You want her to know and love your property. Essentially you want her to be you. But she can't be. She is living and working remotely and doesn't have the privilege of seeing or feeling your property. She will do a great job for you if you let her. You just need to stop yourself jumping in, which can be hard. But you'll get there and the peace of mind that comes with it will be invaluable.

HOW CAN VA4SA HELP OTHER SA OWNERS?

Finding a good VA and getting them trained up to do the job properly takes a lot of time and patience. A lot of people are not great at this, and many are not even interested in communicating with their guests and upselling their property, so it makes sense to find someone who enjoys talking to guests to do the job for you.

VA4SA was set up to allow SA owners to have VAs to manage their guest communication and admin without having to go through the hiring, training and re-training processes. I've worked hard on getting the right VAs, and putting the right systems in to train them and I've seen the benefits. Now other SA owners can benefit from it too.

We are continually recruiting and training great VAs, so other people don't have to. We train them according to the systems prescribed by the SA owners and we manage all their guest communication, so they don't have to. It's a real life-saver for some people.

CONTACT

Read more about Elmira's SA business in the October 2018 issue or contact Elmira and her team with any queries about getting or managing a virtual assistant.

contact@va4sa.co.uk

www.va4sa.co.uk

Click here to listen to the full interview with Elmira



SEASON 2

The propertyCEO Podcast.
More serious property podcasts are also available



www.propertyceo.co.uk/podcasts

3 WAYS TO IMPROVE YOUR OCCUPANCY AND PROFIT FROM SA

HARNESSING THE ONLINE TRAVEL AGENTS

By **Chris Peel**

Serviced accommodation (or SA) is making a splash as a hot new property application and it's not hard to see why. In August 2018, seven of our apartments in London made over **£2,000 each** in profit as tourists snapped up rooms at premium summer rates.

While winter months, excepting the Christmas and new year periods, tend to be quieter, these figures are by no means unusual. I regularly see results like this from our own properties and those we manage we manage for clients in London and Glasgow. Yet at the same time I also see a lot of comments on online forums from people complaining that they have voids and/or are getting terrible rates.

Working from experience, I'd like to shed some light onto this. In this article, I'll give you some implementable tips to help you market your SA unit to its best potential using online travel agents.

TREAT IT LIKE A BUSINESS

The first thing to recognise and be aware of is that SA requires more work in operating and managing it than other property strategies.

For this reason, it is absolutely essential to treat it as a business from the outset. The last thing you want to do is take any property in any location then try to run it as SA. Ok, you might get lucky and just happen upon a local demand spot, but the chances are you could end up joining those on the forums complaining about poor occupancy and poor returns.

The first thing we can do to treat this as a business and ensure we're the ones riding the wave, is to **decide where the demand is and specifically target it.**

If you plan to aim for corporate markets, then where do business people like to stay in your area?

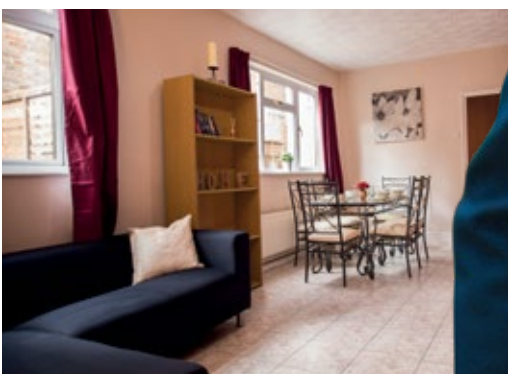
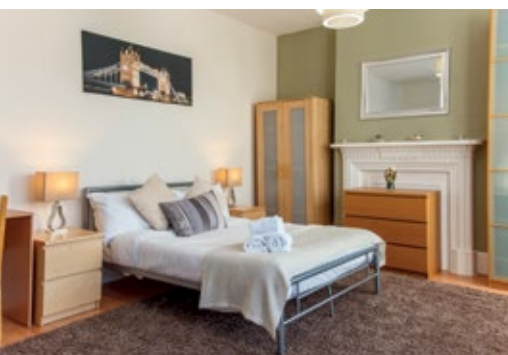
If you're going for the tourist market, what's bringing them to the area – and to which localities specifically?

If you want to go for the contractor market, then where are the local projects that will draw contractors?

Once we've decided who we're after for our apartments, how can we market to them?

ONLINE TRAVEL AGENTS (OTAs)

I'm going to discuss three tactics you can use today when working with OTAs that I think will make the biggest impact in your business. There are of course many more ways to market your SA, and you can get very creative with marketing, but these I believe are the most impactful ways you can increase your bookings for each of the target markets. In addition, they are things you can do right now!



CASE STUDY

KENSINGTON

Property type	2-bed flat in a listed building, the former Royal Stables. No parking with the property, but there garages nearby.
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ACQUISITION

Acquisition	Rent to Rent
Due diligence carried out	A lot of research into serviced accommodation in the area, including hotels, prices and bookings levels of other SA operators.

CASH FLOW - MONTHLY FIGURES (November 2018, a quiet month)

INCOME

Average room rates	£225 per night + £60 cleaning fee per stay.
Occupancy rates pa	87%
Seasonal fluctuations	November, January and February tend to be quiet.
GROSS MONTHLY INCOME	£6,530

SOME OF THE MONTHLY COSTS ...

Monthly rent payment	£2,556
Utilities – water, electric, gas, etc	£107
Wifi	£24
TV licence	£29
Insurances	£4
Council tax	£128
Maintenance	£141
Cleaning and changeovers	£528
Booking commissions	£1,006
Card fees	£155
Sundry consumables	£16
MONTHLY RUNNING COSTS - TOTAL:	£4,839

RETURNS

NET MONTHLY CASH FLOW:	£1,691 Divided 50/50 with JV partner £845
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Love them or hate them, Booking.com are huge, with global reach and a monstrous marketing budget. You won't beat them on marketing spend so you may as well get used to the fact that you're going to have to work with them. So why not do it as effectively as possible.

I personally advertise my own properties and the ones we manage for clients on over 350 different OTA websites. By far though, we get most bookings from Booking.com, Airbnb, Expedia and Hotels.com.

I love these sites. They aren't the cheapest and most charge between 15%-18% commission on their bookings – with the exception of Airbnb, whom I love dearly with their meagre 3% commission. Despite commission rates though, these portals are your best friends when it comes to marketing.

It's a sad fact that as we all get more and more busy, sites like these become essential for people who want to book something and are in a hurry. Sure, you will get guests who want to shop around and check every possible deal going before deciding, but a large proportion of guests just want to book with a site they know, a process they're familiar with and a brand they trust.

So, with (at today's count) 5,789 apartments available on Booking.com in London alone, how on earth do you stand out and compete? Let's run through a few steps you can take right now to improve your conversion rate ...

1. Follow the guidance

Most sites conveniently give you a listing content score, with steps you can take to improve.

Higher content scores mean higher placement up the rankings.

They will literally walk you through how to improve this score and achieve 100%. You'd think this is obvious, but the number of properties advertised out there who have a score less than 100% is staggering ... so that gives you an opportunity to get ahead immediately.

Things that influence this score are whether you have the minimum number of photos and whether they're of the correct quality. This is another good reason for always investing in professional photography for your property and why we have incorporated it as a service we offer our management clients.

Other details that can influence this score are things like:

- Whether you've selected a full list of amenities
- Whether you've added the bed sizes and layout
- Whether you've told the guest which languages you speak
- Whether you've provided directions to the property from the local major transport hubs



Basically, the more quality content you include in your listing the more you improve your content quality score. As this is 100% in your control, I always preach that there is absolutely no excuse for you not to have a 100% score.

There's plenty that's outside of your control in business, so not maximising the impact of the things you can control is just a huge waste of an opportunity.

2. Clicks, reviews and sales rates

Travel agents earn their money from commission we pay as operators for each booking they secure for us. This means the more we can sell our accommodation, the more they earn.

The more clicks, bookings and reviews you get, the higher the system will rank your listing as it's something people are showing an interest in and want to buy. And the more people show interest in your property and want to buy it, the more the travel agent wants to show people the thing that sells. Stunning pictures that grab people's attention are a great way to get them to click through to your listing, so don't skimp on the setup and photography of your place.

Once you've hosted enough bookings and got your reviews up, you may get invited to join a preferred partner programme if your reviews and sales have been good enough. Generally this involves more commission but I always go for it as just another way to start out and get up the rankings.

3. Direct bookings increase profits

As much as I love OTAs as a source of bookings, I do start to resent paying them commissions for the same guest to book through them again. I'd much rather someone who wants to come back, comes to us directly. That makes the booking 15%-18% more profitable instantly.

You have a great captive audience in your accommodation so market to them directly. I personally use fliers outlining three ways to book: we have a phone number, an email address and most importantly of all a booking site (www.cdppapartments.com) that allows people to book in just a few clicks.



"When I'm saving 15%-18% per direct booking, I can afford to offer discounts to these guests if they book with us instead of going through Booking.com"

It's important to give people a range of options for contacting you to book so you appeal to as wide an audience as possible.

In addition, we install tablet PCs in all of our apartments. We use these to collect guests' email addresses so we can market directly to them for future visits. While GDPR did have a slight impact on this at first, it remains a valuable tool in the fight to secure direct bookings. Once you've got a legitimate email list you can send out travel tips for your location, recommendations of local attractions, special offers on accommodation or launch celebrations for new accommodation.

We've looked at three simple but hugely effective ways to improve your booking rates from OTAs.

So what's next? Whatever stage of your property journey you're at I always believe we are stronger as a collective. For that reason I encourage you to join our Facebook group Property Abundance Community, where you will find a growing community of supportive and encouraging people in property, as well as free tips and training to

help you on your journey. I believe in the power of community and the abundance of opportunity, and therefore regularly share my learning as I continue to build national SA and HMO businesses.

Before I wrap up I want to make sure you're super clear on what actions you can take **TODAY** to move you forwards.

- **Make sure you're clear on your market. Research what the local demand is likely to be.**
- **Ensure your online listings have 100% content scores. Check them regularly as the requirements often change.**
- **Use amazing professional photography to help your property grab attention and get the click.**
- **Maximise the opportunity you have with people staying in your apartments by marketing to them directly.**
- **Join the Property Abundance Community on Facebook for support and guidance and to share your journey.**

CONTACT

For help with your SA management and regular free SA and HMO Content, visit www.cdppropertyolutions.co.uk to follow our blog, or find us on Facebook @CDPPROPERTY

Email: info@cdpproperty.co.uk

You'll hear more about Chris and his serviced accommodation business on YPN Extra.

THE 6 C'S OF DIGITAL MARKETING FOR SERVICED ACCOMMODATION AND HOLIDAY LETS



By **Jason Hulott**

With more and more people diversifying their property income streams, they also have to expand their skill sets or bring people in to do some of these things. When you got into property, I bet you never thought you would also become a marketer?

When it comes to serviced accommodation and holiday lets, you're not just a property marketer, but a travel marketer too. I wrote a book on how to build a website to promote your holiday property way back in 2003. Although this is not in print anymore, the things I talked about in that book are still valid today. While the actual portals and sites you will use are different, the underlying principles are the same.

To keep things – hopefully – simple, I want to share the 6 Cs of digital marketing you can use as a framework to promote your holiday lets or serviced accommodation.

In fact, you can use it for **ANY** part of your property business to drive leads, enquiries and sales.

CHANNELS

One of the first considerations with any marketing activity is choosing the right channel or channels. In 2019, we have an absolute ton of options when it comes to marketing online:

- Website
- Blog
- Facebook
- LinkedIn
- Twitter
- Instagram
- Pinterest
- Property portals
- Travel portals

The first rule of choosing **ANY** channel is making sure that your target audience are on

that channel, and that they are using it. For example, there is no point trying to advertise to stay at home parents on LinkedIn as they probably don't hang out there consistently. Facebook, however, could be a different story.

So how do we find out where our target customers are hanging out online? The first thing to do is to take a step back. Let's identify who our ideal customer is ... and then we can look at where they live online.

For owners of existing serviced accommodation and holiday lets, you can look back at your profitable customers. Who were they and what were their characteristics?

In this way, you create an ICA – Ideal Client Avatar. Now while this might sound a bit woo-woo, creating an avatar will help focus all your following marketing activity.

If you are just starting out however, and don't have any customers yet, consider this: when you looked at buying the property you want to promote now, what kind of people were renting similar properties?

Have you looked at case studies (in magazines like this one – cough cough!) to see what kind of renters / visitors other operators have had success with? Clearly, the property itself will help narrow this down; you are not going to be targeting large families if you have a studio flat in Docklands. But you could be looking for single city-types or couples looking for a weekend city break.

This is a big topic in its own right and I could write a complete article on ICAs but let's try and get you some more ideas at this point.

Once you have discovered your ICA, then – and only then – should you look at the rest of this. **It really is that important.** If you're the kind of person who opens flat pack furniture and starts just putting it together without following the instructions, it is going to take you longer, be more stressful and always end up with that extra piece left over. (I know – I have a drawer full of them.)

Get the foundations right.

If you don't do this bit as thoroughly as possible it will cost you more in time, effort, and money.

You have been warned!



CREATIVE

Once you have pinned down the channel and created the target avatar, the next stages will become more straightforward because you can simply disregard elements that don't fit your ICA. So "creative" in this sense is the imagery you can use to promote your property.

Most people will make a mistake here. They just take pictures of the property and maybe buy a few images of the location the property is in. Especially if you don't live locally or even in the same country, you'll perhaps just source or buy some stock images.

There is nothing wrong with that, but it would be much better to have more bespoke photos – may be pay your agent or agent to take some pictures of the area every couple of months. Photos could include:

- **Buildings of interest**
- **Local places of interest**
- **Markets**
- **Events**
- **Restaurants**

There are lots of things happening that can be used to help promote your property to the right audience. When you visit the area, make the most of the opportunity to take photos or even some video and use it in your marketing.

CONTENT

One of the most valuable things you can still put out is written content. As much as us marketers are banging on about video, the written word still holds a lot of value for marketing purposes. Don't worry, we are not talking about writing about your property ... after all, there is only so much you can say.

An important aspect that we often help clients with is producing content around the area and the stuff that is happening there. What things can you write about that will attract your target audience? What about the quarterly food festival, or the classic car shows, or maybe the music festivals that happen every year near you?

What about the best restaurants? Or, for those of you looking for weekend breakers – the top 10 things to do in X month?

The content you put out is no longer just property related – it is travel and experience related. This is what will set **YOU** apart and get you more bookings.

CONSISTENCY

One thing we see countless business (not just property) owners do with marketing is start with the best intentions and pick a really aggressive strategy of producing a considerable amount of content which they do for about a month, then ...

- **Life gets in the way**
- **They get distracted**
- **It isn't delivering any results (this will take time)**
- **They burn out**

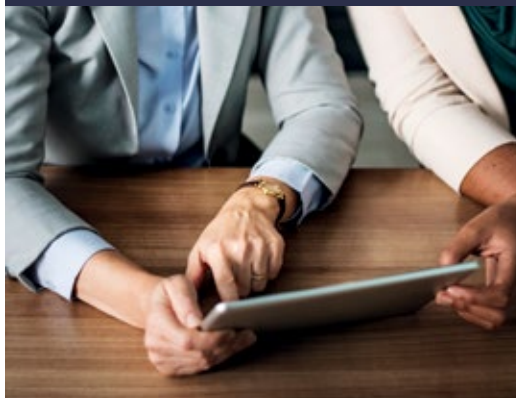
Rather than throttle back, they just stop and then find every excuse in the world not to do it. Well, no point you say, I tried it and it doesn't work ...

While I applaud the enthusiasm to start with (after all, I am trying to motivate you), I encourage you instead to pick a schedule and then stick to it.

Be realistic – if you are going to be doing all the marketing yourself or using existing staff to do it, make sure you create a realistic schedule that allows you to be consistent.

If that is one piece of content week, then so be it. Over time that content will work for you. Rather 52 pieces by the end of the year than 12 pieces in the first month and then nothing.

Slow and steady wins the race, every time.



CONNECTIVITY

After producing the content, you need to make sure it is distributed and communicated to your ICA. Make sure you maximise the reach of the content as wide as possible by taking advantage of connectivity tools such as Hootsuite or a Wordpress site, so that any content you create and put out gets shared across all the target platforms.

That said, if your target audience is on LinkedIn and you are aiming at corporates, then that content needs to go there. There is no point sharing content in places where it is not suitable. That just confuses the market and to be honest, is just wasting your time and effort.

As The Rock says: "**FOCUS!**"

COMMUNICATION

Putting the content out there is not enough, you need to tell people it is there. Share it in **relevant** groups, make sure you have a client newsletter and that you are sending it out once a month. A newsletter is a great way to get repeat business from your target audience. It can be used strategically for running last minute offers to try and fill unexpected voids.

But do have client newsletter offers that are **unique**. This gives people a reason to connect with your newsletter. If they see the same offers blasted everywhere, then they will not feel it is a worthwhile thing.

Email is still huge in driving traffic and bookings. So make your customers feel special. You can use a service such as MailChimp for free for up to 2,000 email connections, so that can get you going quickly and cheaply.

This way, your email newsletter becomes interesting with plenty of content and offers.

SUMMARY

Frankly, I am exhausted and can appreciate that you might be too! I can see this being a lot to take in for a novice serviced accommodation or holiday let operator. The good news is that there is enough knowledge right here in this article to get you going on the journey or, at the very least, help you to find someone that can do some of this for you.

CONTACT

Jason Hulott is director of Speedie Consultants Limited. They provide digital marketing solutions to property, finance, and insurance businesses, and offer a range of bespoke training and consultancy packages for property investors to help grow their businesses via digital marketing.

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LinkedIn: **uk.linkedin.com/in/insuranceinternetmarketing**

Click here to listen to the full interview with Jason

6 SYSTEMS FOR SERVICED ACCOMMODATION

Interview
& words:
**Angharad
Owen**



Husband-and-wife-team David Fernley and Amanda Walker-Fernley of the Clarus Group have built an all-encompassing organisation that comprises four separate businesses:

- **serviced accommodation**
- **cleaning and house-keeping**
- **administration**
- **sourcing.**

With this approach they have created an "ecosystem which funds, helps and develops the main serviced accommodation business."

They have several members of staff to support the businesses, including cleaners and housekeepers on the ground, a PA in Montenegro and a team in India to oversee the administration.

With 35 of their own units, managing 170 others through cleaning or administration, and 14 members of staff, there are a lot of things for which they need to keep their finger on the pulse. In this article, we're going to be looking at **what** systems they have implemented, **why**, and **how** they have changed the business.

BOOKING

Whether it's direct or through an online travel agent (OTA), a booking should set off a number of processes to ensure that the guest can get to the right place, on the right day, at the right time.

Most of David and Amanda's bookings come through Booking.com. "You can't argue with a company that spends hundreds of thousands of pounds per day on marketing," Amanda explained. The website currently provides email templates that can be scheduled as an automatic confirmation.

When a guest books through Booking.com, they receive three automatic emails, one from



Booking.com and another from Clarus to thank them for the booking and to make sure they keep checking their inbox for further information.

The third is triggered from Amanda's channel manager. This is a FAQ email which explains how to find the apartment and how to pick up keys, along with maps and pictures of the building. It also explains what will happen next and when to expect their invoice.

Amanda's team in India will then log the booking into a spreadsheet, which monitors the progress of where each booking is in the invoice procedure.

The Indian team send another email, with an evergreen link that goes through to Signable. The guest is asked to click on the link to complete the booking form and send through a copy of ID. If there is no reply within 12 hours, another email is sent out to them reminding them that if the information is not received within 48 hours, the booking may be cancelled.

clarus living

APPS

Turnover Bnb

This is a free app used to communicate with the housekeeping and cleaning team. Amanda acknowledges: "Although not 100% stable, it's pretty good."

Every booking is uploaded to the app. If the booking is cancelled, it's removed. It allows the housekeepers to concentrate on what is coming up in the next week. They don't need to know about a booking for next July.

"It's bad enough for us with emails pinging through, and then cancellations coming through. We don't want to be winding up housekeepers with emails," Amanda explains.

The housekeepers search through the app, and they can choose which jobs they will be doing over the next few days. When they have selected a job, their name appears next to it.

Amanda and David's PA in Montenegro checks Turnover to make sure all jobs have been designated.

The head housekeepers also check the app, as well as log into the channel manager to check what else needs to be done the next day. They will communicate to the rest of the team any additional work that needs to be done.

Slack

Slack is an instant messaging app for remote teams to communicate with each other. Within the app, channels – or threads – can be designated for certain subjects, such as keys or bookings. Their channel manager automatically integrates with Slack, and bookings are uploaded.

Seeing the bookings on the Slack channel, Amanda's team in India will notify her when the bookings are being processed.

They also have channels for damages. If anything is broken, the housekeepers

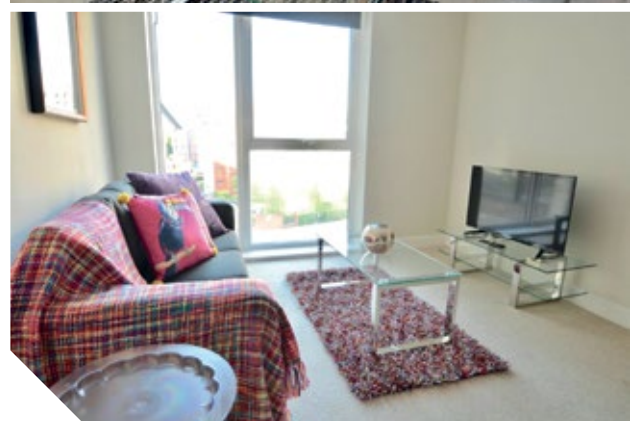
will take a photograph and notify the Indian team of the apartment and the date. They file a guest misconduct report and store the photographs, ready for when Booking.com request them.

All channels used to go through Amanda, and she would divvy up the requests and jobs. However, the housekeepers and team in India now communicate directly through Slack.

Whatsapp

All housekeepers will upload photographs onto Whatsapp groups. This is in case a guest makes a complaint, either in one of their properties or a client's. They can find the photograph and ask the guest to send comparison pictures.

Through doing this, they've found that guests often don't send any pictures because there isn't a problem ... guests just want a refund.



OUT OF HOURS

In case there is ever an out-of-hours issue, such as no hot water, electricity or something not working in the middle of the night, each apartment has a guest handbook. Inside there is an emergency number, along with instructions on what to do if there isn't any hot water, how to use the boost button, how to check the consumer unit, and then if none of the above work, they are asked to phone the emergency number.

Amanda's team in India have a flowchart to follow in the event of something not working. For instance, if the kettle isn't working, they are asked to use another plug socket. Check if anything else is working in the apartment; if not, what about in the communal areas?

If it's just the kettle that's not working, Amanda and David will replace it the next morning. If it appears that the building's power has gone, then there is nothing that can be done apart from move them to another apartment in another building if they have one available.

They offer the guests the opportunity to move if they want, or to stay in the apartment until the problem is sorted.

"It's all very much dependent on where it is, and what's happened, as one person's emergency may not actually be an emergency." Amanda explains.

They have an on-site guest manager on Fridays, Saturdays and Sundays from 3pm until 10pm. Any non-urgent requests can be easily dealt within those hours.

CHECKING IN

In the earlier stages of their business, Amanda and David would offer a meet-and-greet service. Meeting each guest helped with the reviews, and allowed them to explain to guests how the boiler, heating, water, etc could be boosted. But it wasn't scalable.

It was becoming time-consuming and expensive. They had many instances where guests would say they were just around the corner and would then appear three hours later.

Although key boxes are popular, most freeholders and management companies do not want them next to the front door. A building with several key boxes drilled onto the exterior walls screams serviced accommodation. It draws attention to the fact that the building is being used for something that might wind up the neighbours or to those who like the idea of an empty apartment with keys outside.

Coded locks are another popular choice. For a small number of units, they can be great. But with 35 apartments, a £200 lock on each door starts to look expensive.

SCENARIO 1

ACTORS' BOOKING

Actors tend to pay by the guest rather than the apartment.

Property	3-bedroom apartment, Manchester
Strategy	Rent-to-rent
Monthly rent to landlord	£1,200

SET UP COSTS

Furniture pack	Included
Soft furnishings etc	£775

EXAMPLE

Three-person booking for one month

Income	£200 per person per week, £2,598 total
Council tax	£150 (approx.)
Utilities	£105 (estimate)
Housekeeping	£165
Wear & tear @ 10%	£26
Internet	£30
PROFIT	£920



SCENARIO 2

CORPORATE LONG-TERM GUEST IN A 1-BED APARTMENT

Property	1-bedroom apartment, Manchester
Strategy	Rent-to-rent
Monthly rent to landlord	£775

SET UP COSTS

Furniture pack	Included
Soft furnishings etc	£515

EXAMPLE One-person occupancy for 12 months

Income	£58 per night, £1,769 pcm
Council tax	£110 (approx.)
Utilities	£90 (estimate)
Housekeeping	£145
Wear & tear @ 10%	£9
Internet	£30
PROFIT	£610



Again, one of these locks on the door in a corridor filled with ordinary tenants or homeowners will draw attention to the fact that the apartment is being used as a serviced accommodation business.

"There is what we call the Airbnb effect. Which is, too many people have been reading the Daily Mail and have been seeing the horrific parties that have happened in Airbnb properties, so they assume that's going to happen," Amanda tells us.

They then heard about KeyNest. Keys are left at a KeyNest store which can be accessed by guests, with a code. When a guest collects or drops off a key, Amanda and David get a notification on their phone.

GOOGLE DRIVE

As their business grew, linen counting became a headache and something of a project in its own right. All dirty bedsheets, duvet covers and pillow cases needed to be collected and counted. This task got to the point where it was becoming an eight-hour shift for one of their members of staff.

In addition, Amanda was getting concerned about the health and safety implications of handling the dirty linen. It was being handled when being taken off the bed, handled again to pull it out to count, and yet again to put it into the cages. It was a lot of exposure to some potentially horrible germs.

Amanda needed to find a new way that worked to minimise both the touching and

counting of linens.

This is where Google Drive stepped in. Each housekeeper downloads a checklist from Google Drive. They mark down which unit was used and whether the sofa bed was used or not. This feeds through to another Google Sheet which has every single unit on it, and how many beds, baths and corresponding linens it uses.

This Google Sheet counts the linen based on which units were changed, and it knows how many of each item is used. The grand total each day is copied by the PA in Montenegro who sends it over to the head housekeeper in Manchester. Small manual adjustments are made before the sheet is emailed to the laundrette. It now means that dirty linen is handled just once.

STAFF MANAGEMENT

Although not necessarily a system, staff management and creating a good atmosphere for employees is arguably more important.

David and Amanda have had members of staff leave for personal reasons and then ask to come back, as well as those who have been loyal to them for years and have climbed the ranks, going from cleaners to head housekeepers.

"I think for us, the main thing is that they know we would never ask them to do something we're not prepared to do ourselves," Amanda informs. *"They've seen us cleaning toilets and making beds."*

As long as they follow the business system, David and Amanda will back them up if a guest makes a complaint. Housekeepers are asked to take photographs and follow a checklist, which can be used as evidence that they followed the system. Unless a guest can send something that proves different, David and Amanda trust their employees.

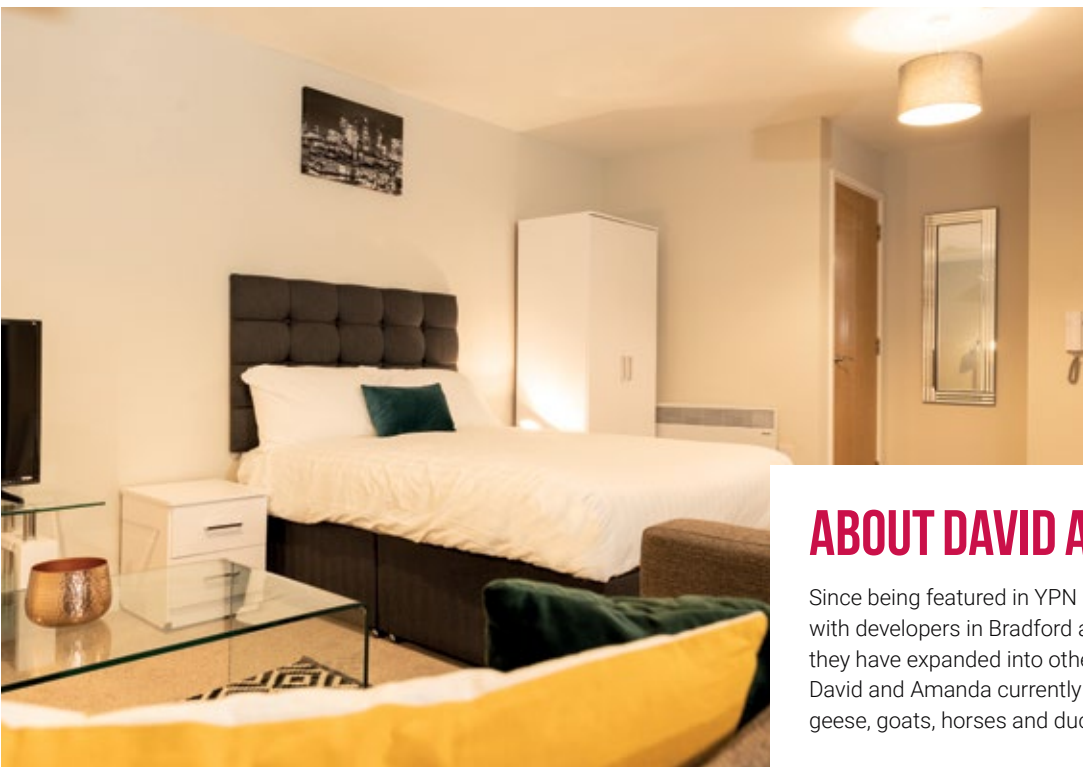
On the flip side, staff know that they can contact David and Amanda for support at any time. They are both relatively easy to get hold of and both work seven days a week.

David and Amanda are very open with allowing them to have the TV or music on when working at any of the properties, and connecting to the wifi to check on social media. Not only does it give them a bit of freedom, but this also checks that the TV and WiFi are working.

"We are aware that this isn't a glamorous job but working in a four-star apartment is probably nicer than working on a building site or a factory," David tells us.

They give bonuses when deserved and have offered advanced wages for difficult financial situations. Giving them the responsibility of communicating with the PA in Montenegro and the team in India have allowed them to see the housekeeping's position within the overall team.

"There's more of a team culture, I think, with us," Amanda says.



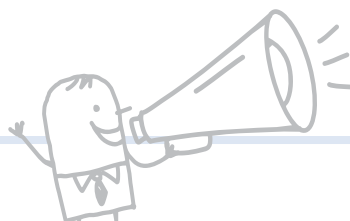
ABOUT DAVID AND AMANDA

Since being featured in YPN 18 months ago, where they had teamed up with developers in Bradford and Leeds to offer serviced accommodation, they have expanded into other cities including Liverpool and Manchester. David and Amanda currently live in rural Yorkshire with their chickens, geese, goats, horses and ducks. They manage their businesses from here.

YPN SAYS

SA can be a complicated and all-consuming strategy that requires you to become a marketing and systems expert. It involves a lot of hard work and dedication to get your head around all the different aspects of the business in order to formulate your own systems. But once everything is running smoothly you can start to think about outsourcing some aspects to virtual assistants, freeing up your time and energy to focus on the next money making project.

We hope you've enjoyed reading this feature and have taken some useful nuggets to help with your own SA business.



SCENARIO 3

CONTRACTOR'S MEDIUM-TERM BOOKING

Property	3-bedroom apartment, Manchester
Strategy	Rent-to-rent
Monthly rent to landlord	£1,200

SET UP COSTS

Furniture pack	Included
Soft furnishings etc	£775

EXAMPLE

Three-person occupancy for 24 nights

Income	£42 per person per night, £3,024 total booking
Council tax	£150 (approx.)
Utilities	£105 (estimate)
Housekeeping	£165
Wear & tear @ 10%	£26
Internet	£30
PROFIT	£1,348

GET IN TOUCH

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

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





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RANT

As I write this month's rant it's mid February – surely the most miserable month. But I'm finding it hard to find a vein of frustration. It's my birthday in three days and I'll be celebrating it in the Alps. I'm currently eating a huge slab of chocolate birthday cake as a pre-departure celebration. The fact is that today there just doesn't seem much to moan about.

Sure, I had an unexpected invoice in for repairs to a flat totalling £3k (a year's profit from that particular property), and I've got a couple of tenants that seem to think paying the monthly rent is optional. I also had a buyer pull out of the purchase of a property I'm selling because "his mum and dad weren't sure". But those are yesterday's problems. No doubt there will be more problems along tomorrow or, if I'm lucky, the day after.

So what's my point? Well life is full of ups and downs. And a life in property contains more than its share of dips in the rollercoaster. But as property investors we learn to take the rough with the smooth. It's all too easy to get euphoric on the highs and despondent when the lows come along. Perhaps we need to learn to appreciate things when the rollercoaster is just coasting?

The well of rant really has run dry this month. The only thing I have to moan about is the pesky reminders from our

editorial team for me to hurry up and finish writing the rant.

I was **GOING** to write this month about how ridiculous the process of buying or selling a house is in the UK, the fact it takes months and months of uncertainty and nobody seems to do anything until it looks like the deal is about to fall over!

I **COULD** have written about how the uncertainty of Brexit has cost us tens of thousands of pounds (possibly hundreds) as buyers seem too nervous to make a decision.

I very, very nearly ranted about the fact that 14 days ago our broadband and phone line packed in and it took 17 hours on the phone, 13 days and six engineers' visits to restore it. At the time I was apoplectic with rage and was all fired up to vent my spleen here in the pages of YPN and give BT both barrels. But I just don't have it in me. I've lit the log burner, opened a bottle of red and tomorrow the ski slopes beckon.

Life, today, is good. And perhaps I need to feel content a little more often. Most of us are striving to be more, achieve more and do more but maybe there really is something to be said for taking time out to appreciate things as they are and enjoy the status quo (not enjoy Status Quo necessarily – there are limits!).

As a family we spend a large proportion of our disposable income on holidays and I don't begrudge a penny of it. A property friend of mine once described money spent on holidays as investing in memories and I've always rather liked that phrase.

No doubt today's contentment will be met with tomorrow's lost luggage, transfer delays, surly French waiters charging thirty euros for a lunchtime burger and my kids moaning about walking to the ski lift and me lugging four pairs of skis like an alpine pack horse.

But today life is good.

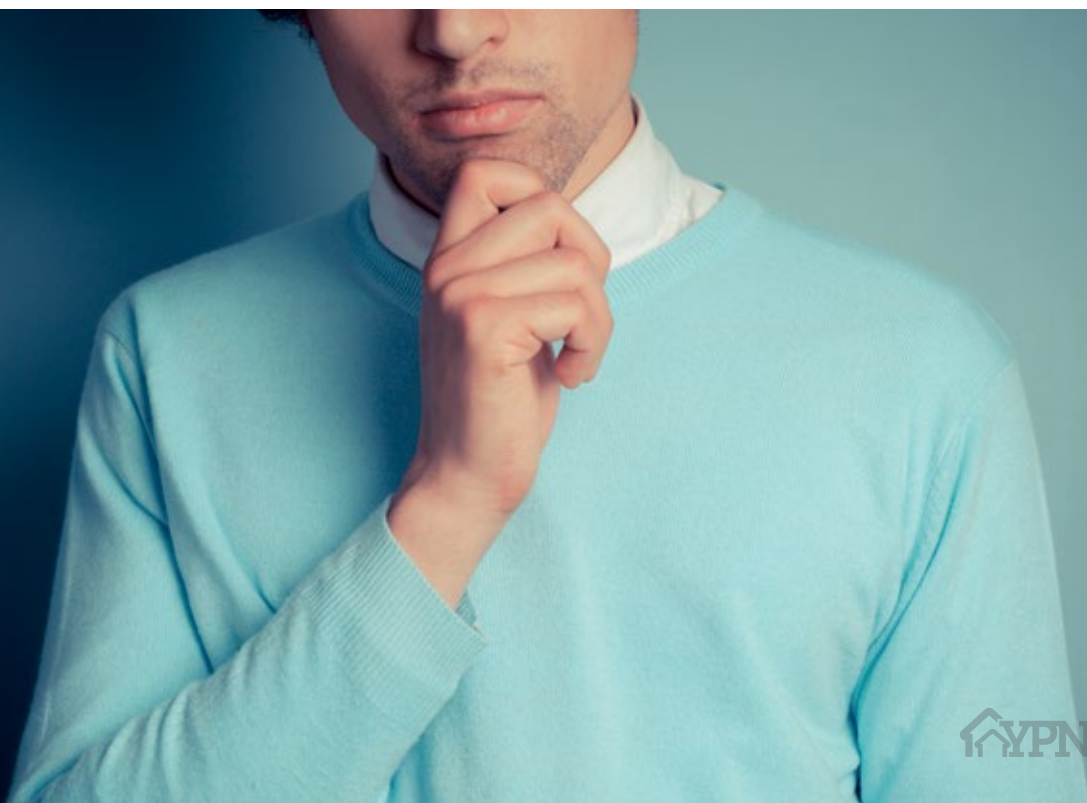
So this month there is no Rant. It's not even one of my occasional raves. It's simply a musing that sometimes we should just appreciate that we are far luckier than many others and are able to enjoy the fruits of our labours.

Musing over.

Until next month.

Ant Lyons

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A PUB CONVERSION

**CREATING AN HMO ...
AND PULLING PINTS
AT THE SAME TIME!**

Matthew Bates, 32, has lived in East Sussex his entire life. From an early age, he had exposure to the property market through his uncle who had a development and building firm. From the age of 14, he would help his uncle during the summer holidays.

"Property was never a great interest at that point, but it obviously sparked something inside me,"
he says.

After leaving college, he started working for a construction company. Despite enjoying the work, he didn't enjoy the cold in the winter. He used to look at the estate agents and thought they had the better part of the deal. Immediately, he looked to move into the estate agency industry.

There, he learnt a lot. After a few years though, he moved into car sales, and by the age of 21, he was building a career. Motor sports has always been a passion of Matthew's, and he even landed a job to work for ex-formula one driver, Jonathon Palmer. This job was to run the track day department. Matthew organised events where people could take their own car or motorbike to a race circuit. He worked there for three years, and managed his own team along with hundreds of contractors.

But the kick start into the property industry came when a friend, who incidentally owned a restaurant business, started an HMO. Said friend bought an old office building and converted it into an eight-bedroom house. Matthew could see the improvements the model needed and the potential of the business. They have worked together for the past five years, but have now recently parted ways to explore other endeavours.

THE DEAL

The project we're going to be looking at this month is out of the ordinary.

The building was a high-risk licenced premises. Previously, it was a pub with emergency accommodation above it. The same family had owned it for 30 years before selling it to a national operator who held it for a further eight years.

It was neglected and became an eyesore in the area. It was also a renowned spot for antisocial behaviour, both inside and outside the building, including break-ins and other crimes.

To give an idea of the state of the property, when Matthew went to the viewing, there was a mattress in the bar and dog excrement everywhere.

It had been on the market for 12 months. There had been several failed attempts to purchase it. The Campaign for Real Ale (CAMRA) were trying to stipulate that it was a community asset and that an order should be placed on it. *"I think that put a lot of people off, and gradually the need to get rid of it increased,"* Matthew explains. *"We struck at that point."*

The pub had been a part of the community for decades, and, arguably, there weren't any other pubs in the area that could offer the same facilities, including food. However, by the time Matthew and his business partner had acquired it, the kitchen had been condemned by Environmental Health. Luckily, the community asset order was declined, and they could move forward without a hitch.



55 SEDLESCOMBE ROAD NORTH

ST LEONARDS ON SEA, EAST SUSSEX

Type of property	Mixed-use 1900s
Any relevant history for the property	Was three units in its early days. Grocers, pharmacy and retail, joined together to make one. Been a trading pub with function rooms and residential rooms above for around 40 years or more. Was within the same family for over 30 years and was 'the place to be' 20 years ago before being sold to a national company and becoming neglected.
Purchase price	£370,000
Open market value	£400,000 + VAT
Purchase/ Acquisition costs	£1,500 legals, £9,500 SDLT, £1,800 survey
Funding methods	Cash, bridge, private loan
Deposit paid	£126,000
Amount of funding	£294,000 acquisition / £350,000 development
Borrowing rate	11% Bridge and 35% development
Monthly mortgage/ funding payment	£2,700 Bridge / Development wrapped at back end
Total money in	£476,000 + £50,000 for the pub renovation (different trading company)



FUNDING & DUE DILIGENCE

Up until this point, Matthew's previous projects had been funded through a syndicate. A group of nine friends, including Matthew, would put in money and operate the project. Ten deals had been purchased in this manner, but the arrangement limited the projects they could take on in terms of the level of risk.

To overcome this limitation on this particular project, Matthew had to undertake a large amount of due diligence in order to justify to the syndicate that it would be worth doing. For example, because of the large square footage, they figured out that they could convert the upper part of the building into 15 HMO rooms.

As the building was in a different location to where he usually invested, Matthew needed to research demand. Along with his business partner, he spoke to employers and workers in the area and realised that this site would be best for key workers and professionals, rather than students, manual workers or restaurant workers.

Understanding this allowed them to cater the finish, facilities and amenities of the finished project for their target tenants, and speaking to workers in the area created an interest before starting the redevelopment. Matthew aims to be as demand-led as possible: "We won't build speculatively, so by creating that demand first, we reduce risk."

The building has also been future-proofed. It has been split internally to create two separate houses, operating as a seven-bed and an eight-bed HMO, respectively. If anything goes doesn't go according to plan, they can lean on the fact that they're separate buildings.

THE PUB

Matthew and his partners made the choice to keep the pub and not convert it into more rooms. It allowed them the freedom of leasing it out to a third party, which Matthew had experience of doing in the past with his restaurateur friend. Controlling it as a proven operator satisfied licensing regulations, the police and all the relevant departments in the local authority that the pub would go from being a high-risk premises, to one operated and managed professionally.

"It's taking every single possible unknown and making it a known before you commit, or at the same time as committing," Matthew explains.

However, when starting work on a building, they aim to get the property producing an income as soon as possible.



Matthew took a bottom-up approach on the project, with the main priority to get the pub refurbished and operating as quickly as possible to help cash flow the rest of the project and pay the mortgage. He decided that he wanted to operate the pub as a family business.

Together, the family navigated their way through setting up the business, including the name, brand, bank accounts, suppliers, menu, recruiting the kitchen team, designing the kitchen and menu, and pricing.

During the refurbishment, there were a few legacy issues with former clientele. One day halfway through the project, when wires were hanging everywhere, dust and dirt all around and people wandering around in high vis gear, someone came in and asked for a pint. *"It just showed me just the sort of thing people were used to, going in there."* Matthew said. *"The mess and the chaos seemed normal ..."*

"I got my parents involved," Matthew admits. **"I thought it would be of interest to them – and they jumped at the chance."**

They wanted to make the new pub as different as possible. They took out the big screens, dartboards and the Sky Sports signage. They changed the drinks and increased the prices. And some of the old customers remained loyal, still regulars today.

On opening day, they weren't as prepared as they had hoped, but decided to open the doors regardless and see what happened. The T-shirts for the staff had the new logo on the front and "We're New" on the back, accompanied by L-plates, in the hope that customers would not be too hard on them. Everyone who came through the door had seen the building being refurbished, there was a lot of interest and the launch was successful.

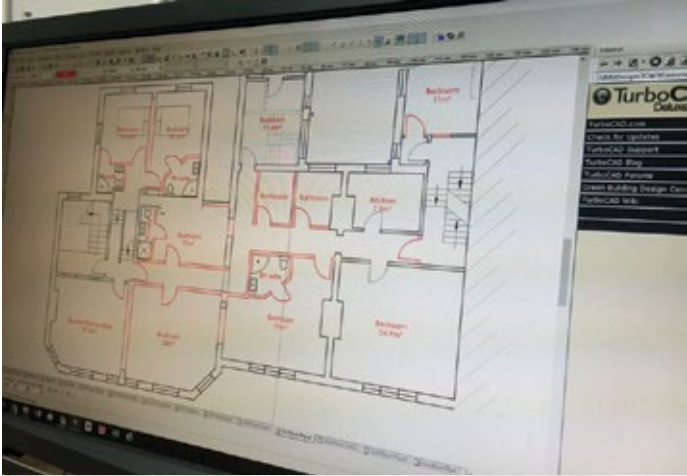


RESIDENTIAL

Previously, the upstairs had been used as function rooms and emergency accommodation. No structural walls were moved during the build; therefore, Matthew was limited by the existing room sizes. Five rooms were large enough to have en-suites installed, but the rest weren't. This worked well though, as it allowed Matthew to offer accommodation to suit all budgets and different needs. Rent per week varies from £105 to £165.

The other bedrooms are on a two-tenant-per-bathroom basis. They are categorised into lounge bedrooms, study bedrooms or lounge-studies. Matthew didn't want to charge for a bigger room if it didn't have any additional facilities. Lounge bedrooms have a TV, soft seating and a coffee table, and study rooms have a desk area.

Each side of the house has double kitchens fitted with islands and TV areas. There are also free laundry facilities, bike storage, a garden and three parking spaces. Rent includes all utility bills, and they provide fibre internet throughout the building.



COST OF WORKS

Duration of project	12 months
Architects fees	£2,500 (we use a surveyor not architect and do most design ourselves)
Planning costs	£750 for the application
Planning duration	Four months – very quick!
Asbestos survey	£350
Skips	£12,000
Drainage and incoming utilities	£4,000
Plumbing	£44,400
Electrics	£26,000
Flooring	£9,578
Kitchen – units, taps, worktops, etc	£5,000
Kitchen appliances	£2,000
Bathroom – showers, sinks, toilets, taps, etc	£20,000
TV & WiFi	£2,400
Key system	£8,000
Beds	£7,000
Furniture	£5,000
Total costs	£370,000 (excluding cost of development money of £122,500).

VALUATION & INCOME

Post-works valuation	£1,370,000
Re-mortgage amount	£959,000
Rate	6.0%
Money back out	£959,000 (all money and costs out; circa £40,000 of additional development profit out; on top of £411,000 equity created/retained)
Money left in	£0
Monthly income	£8,190 GOI Residential £3,333 GOI Commercial £11,523 GOI combined
Bills included?	Yes – our ops costs are 28% of GOI
Monthly mortgage payment	£4,759
Monthly costs	£2,625
Net monthly cash flow	£4,139



The building manager visits weekly to check that everything is in order and answer any questions tenants might have. A maintenance manager is available 24/7 for both proactive and reactive maintenance. Although an HMO, Matthew markets it as a serviced HMO. What's the difference?

"It's a bit of our own wording really. When we went to the local authority," Matthew admits, "to be honest, it was something we were trying to do to shortcut the planning process."

Prior to use as emergency accommodation, the upstairs area had been operated as a B&B. It had C1 use class, so he wanted to retain the "serviced" element to keep within the same use class and prevent planning delays.

Matthew met with the head of planning and development at the local authority who, bizarrely, had never heard of serviced accommodation before. The meeting opened Matthew's mind to the fact that people perceive things differently and have different interpretations.

Retaining the serviced accommodation element helps to differentiate them from other standard room lets in the town. However, it doesn't mean that it's short-stay accommodation. The properties have an HMO licence and tenants sign up to a six-month AST to live there.

MANAGING THE REFURBS

Managing a refurb is difficult at the best of times, but when the upstairs was being refurbished above a newly-opened pub, it could become quite the headache.

During the refurbishment, Matthew wasn't operationally involved with the running of the pub. If any loud or noisy works needed to be carried out, or anything that could impact the customer's experience of the pub, it needed to be co-ordinated with downtime – and done either prior to opening hours or between lunch and evening meal.

In total, there are three separate businesses at play. **(1)** The fund, the company that purchased, developed and still owns the building itself. **(2)** The operating business, which is the family-run pub. This has its own trading entity and has taken a five-year lease for that space. **(3)** The brand, which is the residential side, including the agency and management of the building itself.

NEW AND DIFFERENT FOR A PUB

A pub conversion that retains the commercial element needs different considerations compared to residential-only conversions. For example, it needed a gas supply large enough to feed the entire building, but on separate meters. There were also issues such as the food run, accessibility and maximum distances to the nearest fire exit.

Additional facilities involved designing the space around activities, for example, planning the kitchen, and ensuring there was no cross-contamination between clean plates coming out and dirty dishes going back in.

Lighting was also a major factor. In hospitality terms, the lighter a building is, the more food-orientated it is, whereas a darker environment encourages drinking. The pub aimed to be a food-led establishment with wet sales, so they wanted a balance between drinking and eating. Creating the correct atmosphere and lighting balance was a challenge.

Developing a commercial space involves satisfying a number of additional criteria such as alcohol licensing and Environmental Health. There aren't many second chances with them. *"You have to be on it. The fabric of the building helps with the smooth operating which helps get the right product out and maintain the standards,"* Matthew says.

Getting all this right helped the staff to gel, work together and stay. The hospitality industry is well-known for high staff turnover, but Matthew believes that they have retained many of their team because they have invested the time to make each shift run as smoothly as possible.

THE FIGURES

The building itself is 7,500 square feet and three storeys high. The ground floor comprises the pub.

A lot of money was spent on getting rid of waste, which can be an expensive process. This cost Matthew more than expected as there was a lot of detritus left in the property, including needles.

The building was agreed at a purchase price of £400,000 plus VAT. With a deposit of £126,000, they used a bridging loan for the purchase. When the surveyor came out to value it for the bridge, he valued it at £350,000. With negotiation, they settled at £370,000 and thus needed to find a bit more of a deposit.

Along with the bridging finance, they used a private development loan. The original syndicate had started with nine friends, with others lending funds for specific projects. However, prior to this deal, they had exhausted their options. As a result, they spent a year raising capital in the City.

Their aim was to get £5m private equity for the business and expand into other areas of the South East quickly. Although they didn't achieve this goal, they met many interesting people throughout the process, one of whom went on to issue a private loan of £350,000 for the development, secured against the assets. This was repaid a year later, with interest, resulting in a total repayment of £500,000.

The total cost of the refurbishment came to £370,000. Matthew knew that he was aiming for a slightly higher standard of finish compared to his other projects.

From beginning to end, the project took over one year. Halfway through the project, they discovered that the pipes coming into the building were made from lead. It was a challenge to dig up the road and work with the service providers to replace it. This alone took six months to resolve.

There was another pause when the main contractor got stuck on another project. Without these delays, Matthew estimates the project could have been completed within nine months.

The post works valuation for the total building came to £1.37m, based on commercial yield. And guess who did the valuation? The surveyor who down-valued it at the beginning.

At the time of writing, Matthew was planning on remortgaging onto a commercial mortgage, but the local authority has offered to buy his entire estate. **“Long story short, they have a budget deficit annually and can borrow money centrally for a very low interest rate,”** Matthew explains. **“We helped them form a subsidiary company to manage that investment. We held their hand through that process.”**

The local authority will purchase the estate and Matthew will be able to lease back the estate once they've bought it. This will give them a fixed income of around 6%, and Matthew will have a net yield of about 11%.

It will help keep Matthew's management company active and it maintains their brand consistency. The local authority has the income they need, and it helps Matthew and his partners take their money and either divide it up for equity investors, or go again.

LOOKING FORWARD AND BACK

Looking forward, Matthew hopes to continue to buy unloved buildings and wasted spaces across the South East. If a commercial property comes their way, they will either expand the existing pub brand or create a new business, such as a restaurant or coffee shop. It depends on the area.

But retrospectively, if Matthew were to do anything different, what would it be? The three things he has always come back to are how would it have been possible to do it better, quicker or cheaper. In past projects, he has managed to let all rooms off plan before the building is finished, but in this one, only 60% of the rooms were let prior to completion. He would have liked to have started that process earlier, or gained quicker traction on letting the rooms and getting the building producing an income quicker than he did.



Click here to listen to the full interview

GET IN TOUCH

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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!).

The skill is knowing where to identify these opportunities and how to approach the business owner, how to negotiate the deal and structure it with the best possible terms – preferably a **no-money-down deal.**

There is a huge advantage of buying a business with property – **you get the daily cashflow from the business with bridges the gap while you apply for planning permission.** When you have planning you can then sell the business and keep the property – with another windfall for you.

If you want to learn how to buy a business, Jonathan Jay and The Dealmakers Academy is where you go if you want **razor sharp advice and mentoring from people who spend their lives buying and selling companies.**



“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



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WHAT CAN PROPERTY INVESTORS LEARN FROM THE PSYCHOLOGY OF PROFESSIONAL SPORT?

Interview & words: **Heidi Moment**

Transitioning from being a professional athlete to entering the world of work can be a daunting task. We caught up with ex-pro Premiership and international rugby player, **Richard Thorpe**, to discuss the transition, and what we can all learn from the psychology behind it.

BACKGROUND

I left school at the age of 18 to join a Premiership Rugby Club called London Irish. After spending a couple of years with the academy I was fortunate enough to graduate into the first team at the age of 21 and went on to play at London Irish, Leicester Tigers and London Welsh. I also played for Canada at the Rugby World Cup in 2015.

During my pro-rugby journey I became interested in property and spent several years building my own portfolio. Alongside that, psychology, mental wellbeing, and clinical psychotherapy have always

fascinated me and in my mid-20s, I went to university to train as a psychotherapist. I now run my own business, Transition Coaching Ltd, helping athletes and business people through their own transitions. I work in a one-on-one capacity, as well as presenting to teams and groups, through seminars and workshops.

TRANSITIONING IS TOUGH

We're all facing important transitions all the time. Whether you're graduating from university, having a baby, retiring from professional sport or leaving a corporate job to go and start a full-time business in property, the transition can be very challenging. If you're not careful it can leave you feeling lonely, isolated and a bit lost.

I was one of the 30% of professional athletes who choose to retire from professional sport. The other 70% are forced out through either injury or not getting their contract renewed, which can make the transition even harder.

Many pro-athletes face a lot of hardships when they retire from their sport and bankruptcy, gambling addictions, drug and alcoholism, and high divorce rates are common. Amazingly, 60% of professional footballers and nearly 80% of American football players will be bankrupt within five years of retiring. It almost seems that the more money you make as a professional athlete, the more likely you are to go bankrupt, and the quicker you'll go bankrupt! It's one of those things that until you've actually gone through the transition process, you can't really appreciate what it's going to be like.

"60% of professional footballers go bankrupt within 5 years"



Richard & Ben Youngs launch an attack for Leicester Tigers against Northampton Saints in the 2012 Premiership Clash

LOSS OF IDENTITY

A professional athlete by their very nature is usually very confident – probably over-confident – in their abilities and this is demonstrated in all areas of their life. So, most pro-athletes think they're going to be fine. I probably wasn't an exception there.

When I retired at the age of 31 (I'm now 34), I considered myself quite fortunate, because I'd been building a business for a couple of years prior to choosing to retire and I had a property portfolio, so everything pointed to me having a smooth transition. But during the first six months, I started to really struggle with the loss of identity, as many athletes do. You become very attached to your identity as a professional athlete and it kind of defines you. For me, I referred to myself as a 'pro-rugby player' from about the age of 13, and all of a sudden I couldn't anymore and it was really hard to deal with.

I wasn't alone in this. We know from research that near enough 100% of athletes coming out of pro-sport will have a similar struggle around identity. A lot of the time this leads into other issues, such as regret, devastation, depression, anxiety, addictions and, of course, financial troubles. And it's sad to know that less than 20% will actually seek help, which is an ongoing issue.



London Welsh winning the 2013 Championship Final



In action for London Irish v Wasps

GETTING A NEW JOB

When you've been used to spending your days with a large number of people doing the same thing, and all of the sudden you're on your own, it can be quite isolating. If you consider the average pro-athlete is in their early to mid-30s when they retire, they've still got plenty of years left of work in them, and if they want to have long-term financial stability, they'll need to go out and get a job. But this has its own challenges, as you might imagine.

Going from an environment where everyone has similar values into a completely different culture where it's highly likely their boss will be five years younger than them, and they won't be valued anywhere near as much as they were as a professional athlete, can be tough.

Plus, they'll have to go in at the bottom, which puts them over ten years behind their peers, who've been climbing the corporate ladder all this time. It's no wonder people become overwhelmed and feel out of their depth.

ISOLATION AND LONELINESS

Feeling isolated and lonely are also common feelings associated with the transition. The same applies to people who leave their corporate jobs to start their own business. When starting out you're probably on your own or you may have a business partner or JV partner. You'll probably spend most of your time on your own and if you're used to working in an office full of employees and having some banter with your colleagues during the day you might find being on your own pretty lonely.

The loneliness doesn't stop when your business grows either. Even MDs with a few hundred employees find being at the top of the tree a very isolating place to be. Everyone looks to you for the answers, and that's a tough transition that many property professionals struggle with in the early years.



PREPARING FOR AND MANAGING THE TRANSITION

Transitions need to be managed, and you need to have some strategies to help you to transition successfully. The three most common areas that both sportsmen and women and property investors can learn from are [dealing with failure](#), [knowing your purpose](#) and [leadership](#). Let's look at each one.

1. Dealing with failure

When we talk about dealing with failure, it doesn't always mean huge, catastrophic I've-gone-bankrupt-type failure, we also mean the little failures that happen along the way. The type that can chip away at you and wear you down.

Often if you've had a successful corporate career and then move into a new business such as property, it can be easy to assume that your past success has made you resilient and robust enough to weather the inevitable tough times and failures associated with running your own business. It's completely normal to feel like this, but this is why people sometimes crash and burn, because they're not emotionally prepared for the reality of it. As such, it's essential for both sportspeople and business people to build up their mental resilience to be able to deal with failure. Here's how:

Accept it

Awareness and acceptance that things aren't always going to go your way is your starting point. If you can accept the inevitable failures, and think, *'It's okay not to win at everything because that is normal'*, small blips won't take their toll on you emotionally or financially in the long run.

Let it hurt

As a professional athlete, you've got a weekly battle with selection. When this doesn't go your way it can leave you feeling rejected, embarrassed and saddened which can be hard to take if you haven't built your emotional resilience. Plus you've got a game every week, which can lead to failure.



Talk. Talk. Talk

I must say this every day. You've got to talk. As the saying goes, *'A problem shared is a problem halved'*. It really is. When you're stuck in your own head, it's very difficult to see the wood from the trees. Talking openly with your friends, family and colleagues helps you work through your challenges by getting constructive feedback, plus views and opinions from the people you care about.

It also allows you to formalise and structure your thoughts, and to offload, which helps to clear the clutter and is necessary for a healthy mind. Actually saying the words out loud can really help to slot everything into alignment, so make sure to talk openly about your challenges.

2. Know your purpose

Purpose is something that's absolutely crucial to achieving our goals. If we don't have purpose, then we're unlikely to know what our values are. If we don't know what our values are, then how can we build congruent goals that are actually aligned with who we are and what we want?

The alternative is coasting through our lives, not knowing where we're heading. If you were to imagine your life was a large ship, with no navigation or direction, after a lifetime of sailing through life we could end up anywhere, and would probably be heavily damaged from all the inevitable crashes!

One of the easiest ways to set a goal and not achieve it is to make a goal that's not aligned with you and who you are. If this happens, when times get tough it's unlikely you will be able to keep going. So, it's essential to establish your overriding life values, which will allow you to then find your purpose. After this everything else will fall into alignment.

"Knowing your purpose is the foundation of business and life success"

Values

Look at an example from my life. When I retired from rugby, I thought I knew what I wanted to do. I had made the conscious decision to go into property lending, and a lot of my values were centred around making specific amounts of money and buying material objects – houses I would live in, cars, nice watches etc. Those were my goals, and at the time, I thought they were also my values.

But when times got tough, as they do in every business, I found it very hard to keep going. I got to a stage where I struggled to get out of bed in the morning. I started to pull back from my friends and family and I felt a bit hopeless. Basically, I'd allowed myself to slip into a depression. With my background in psychology and psychotherapy, I was able to recognise what was happening and through working with a coach I could pull myself around relatively quickly. In doing that, I realised that my values were wrong.

"If you're living a life congruent with your values, you're going to be much happier"

The work I did with my coach allowed me to uncover that the most important thing to me on this planet is my family and friends. Nothing trumps that. I want to have a close relationship with my family and meaningful relationships with my friends. That's definitely number one.

Second to that, I have always valued health and wellbeing, from both a physical and mental perspective, so that became value number two. Then value three was an interesting one. I learnt that I really wanted to help people and make a contribution. In my own small way, I want to leave the world a little bit better than when I came into it.

Comparing these new values to my previous values made me realise it was no wonder I was feeling the way I was. I was living a life completely misaligned with who I actually am. And that's where my life started to change. I had a new purpose and new goals that became in complete alignment with my values, and I was much happier and more successful as a result.

Nowadays I'm still very much involved in my family property business. We now provide funding for developers to build housing units that are genuinely affordable for first-time buyers and families, and I run my company Transition Coaching Ltd. My business models are now completely congruent with all of my values.



Playing for Canada vs France at the 2015 Rugby World Cup

Sometimes you win, but sometimes you lose, and when it's a really important game losing can be really hard. Successful players are able to let it hurt, because if it doesn't hurt, it doesn't matter to you and you won't learn the lesson. It needs to matter in order for you to perform at your peak, but you then have to put it behind you and move on. With sport you move on to the next game. With business you move on to the next task or the next property and you put all your focus in to that.

"Emotional resilience helps you to put failure to one side so you can move on with the next task"

There's a difference between being a good loser or a bad loser, and losing well. You've got to be able to deal with failure. Pick yourself straight back up, get back out in the field, train harder, train longer and go and do it again. It's exactly the same in the property space. If you're out there trying to source your own property investments, you're probably going to have to kiss a lot of frogs, and you'll also make lots of offers on great sites that get rejected. This can wear you down over time, but emotional resilience will help you to push through it.

Be persistent

Back in my early playing days, I had to keep knocking on the coach's door to ask him why I wasn't playing. Now, this is a director of rugby, an ex-international rugby player himself who is now in his early 50s, and I was 21 at the time, knocking on his door, saying: *"Why aren't you picking me? Why aren't you picking me?"* Eventually, in order to shut me up, he said: *"All right. You can play."*

It's down to you to perform, obviously. But persistence is key. Just keep knocking on doors, no matter how intimidating it may be. Keep sending letters. Keep putting offers in to agents. You might not get the deal now, but it just might land in a few months or a year down the line. Be patient, but be persistent.

TASK: TO UNDERSTAND YOUR CORE VALUES

Ask yourself these questions:

- What's most important to me in life?
- What makes me happy?
- What leaves me fulfilled?
- At the end of my life how do I want people to say I lived?

Then ask yourself: "Can these be linked to my property business?" "Is there a way of linking them?" If you really can't, maybe property investment isn't your best strategy towards building financial security as it is likely you'll lose enthusiasm and lack the grit it takes to fully exploit your own potential. But if you can link them, you can start to build your long-term, medium-term and short-term goals in line with those values.

And there you go. Do this and you're highly likely to be successful and happy. It sounds so simple, and it really can be. You just need to understand yourself first.



"You have to take 100% responsibility for your own performance"

3. Leadership

Leadership is another area that is key to success in both sport and property, and it's a very useful skill to have. Whether you like it or not, when you decide to run your own business, you become a leader. You have to because no-one else is going to do it for you. It's your business and it's your responsibility, so it's up to you to lead it.

Even when you're just starting out, it might be just you, but you've got to manage construction teams, or deal with funders, or JV partners. Then over time, you'll probably want to grow your business and build a team around you, so leadership is going to be very important.

Lead by example

Successful sports teams always have very good leaders. In rugby it's constantly drummed into you that each and every player on that field is a leader. The thinking behind that is that a typical leader will take full ownership and responsibility for themselves and the results that he or she produces. Someone like that is going to be more productive.

Most successful athletes are well resourced, with the best coaches, physios, medical staff and analysts. But the players still take 100% responsibility for their own performance. To be successful in business, you've got to be prepared to do the same. Taking responsibility and not blaming others is the sign of a good leader, and good leaders lead by example, which is one of the most effective forms of leadership because you're demonstrating how to behave. So, when you start to bring in your own staff they can learn from you and mirror your behaviour.

By giving yourself high standards, you're leading the way to modelling behaviour and thereby encouraging others to hold high standards for themselves. That leads to building respect and discipline among the people you're working with, and will very likely lead to a more successful business.

Learn to be a leader

Leadership, like any skill, is learnable. Yes, some people are naturally predisposed to being good at leadership, but most leaders learn how to lead by either mimicking leaders they come across in their life and modelling their behaviour and leadership style, or by learning how to lead. There are plenty of books and courses on leadership if you want some insight and it's well worth investing the time into learning about it.

Don't be fearful of leading

Don't be afraid to stand up and take ownership. Don't be afraid to say "Follow me." Very often it's only once we're in a position of leadership that our true leadership skills start to show through.

Know how to access your team

Interestingly, the best coaches of sports teams are also the best business leaders, because they understand that everyone has different needs and can be accessed in different ways.

To look at the rugby field, for example, some players need to be grabbed by the scruff of the neck, and told to go and do it better, whereas other players need an arm around their shoulder with the words: "Everything's going to be okay" in their ear. In business it's the same and you need to know which team member needs which approach.

SUMMARY

Property, like sport, can become habitual – if you practise a skill long enough you can do it without thinking, as it no longer requires conscious thought. The more experience you have, the more games you play, or properties you buy, the more tuned and habitual your skills become. But whether you're just starting out or you're scaling up, there are always things to learn and there will always be hurdles to jump and errors made along the way. So, feelings of rejection and failure are never going to stop. It's how you deal with them that will set you apart from the rest.

Try to get comfortable with failure, and not knowing all the answers. Learn to let go of anxiety and be more present. By putting your emotional resource into what you're currently doing, and not leaving it held in regret, remorse, fear or anxiety you're going to be more effective and are more likely to achieve the goals you set for yourself.



Site in Reading which we have funded



Homes Under the Hammer with Lucy Alexander



Speaking at PPN Canary Wharf

CONTACT

Richard offers initial consultations at no cost to anyone wishing to explore coaching, working on their own values, and business mentoring.

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Click here to listen to the full interview with Richard



Why I transferred from a SIPP to a SSAS

Frank Joyce, company director

Property & Pension Investment

Frank Joyce, 57, of Wokingham, Berkshire recently transferred his pension from a SIPP to a SSAS and now explains to YPN why he undertook the move.

"Flexibility and control!" Frank exclaims. "I've had a Self-Invested Personal Pension (SIPP) since about 2012 and although it once was the ultimate personal pension giving me freedom of investment choice, it's now nothing more than a highly controlled savings account offering me no choice, benefit or control and it costs far more than a SSAS. I can't choose investments that I would like or decide on the amount I want to invest without the authority of the professional trustees who are restrictive to say the least, yet it's my money."

What does a SSAS do, that a SIPP doesn't, we asked? "I am back in control and can choose exactly what I want to invest in, subject to rules set by HMRC. I tell the Trustees what I want to do, and they perform the function for me, whilst ensuring I stick within the guidelines. There are also many more benefits with a SSAS such as using money in the pension scheme for investment in my own company; a company drawdown loan on tap should I need it, so to speak." Although Frank is confident in his own investment choice, (which was) property in this case, he admits to having needed help in finding the best SSAS provider for his circumstances.

"I've worked with the team at The Landlord's Pension for nearly 7 years and they helped me find the right SSAS provider. It's only costing me £500 a year to run rather than over a £1,000 a year for a SIPP. I've heard lots of rumours about the time it takes to set up a SSAS but mine was registered within 6 weeks "

'I invest in property using my pension'



Verified Reviews



Frank went on to tell us about his investment choice. "I've been successfully investing in property with my SIPP and plan to continue to do this with my SSAS. In some years I've managed to get a tax-free return as high as 14%. Now considering last year was a record low for the stock market since 2008, I do wonder why anyone would leave their pension invested in shares when taking control and investing in property is such an easy task to undertake."

Here at YPN, we love SSAS pensions because of the flexibility and control they offer to property people, and just like Frank, our readers should consider a SSAS as a part of their property investing journey too. You can download a free guide using the link below to find out more.

Download your FREE exclusive Property SSAS Pension guide by visiting:

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MISFITS, DROPOUTS & DREAMERS

By Richard Brown

aka

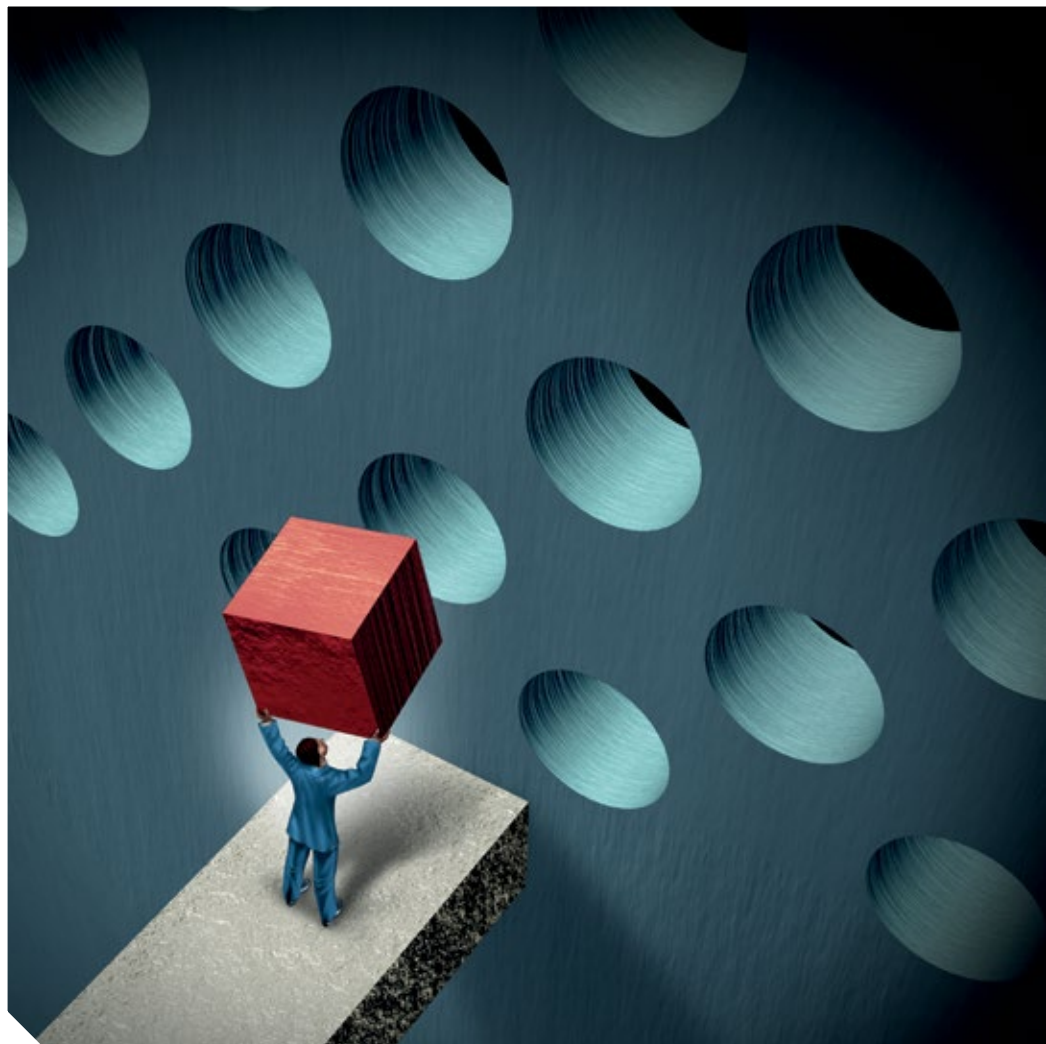


There's a song by The National called *I Need My Girl*, which I often listen to when separated from my wife for an extended period of time. I know, I'm a soppy so-and-so, aren't I? It has the line: "the party was full of punks and cannonballers" as the songwriter contemplated the apparently odd people around him. This line stuck in my head as being a little unusual, I mean, what is a cannonballer anyway? According to the Urban Dictionary, besides being a kind of reckless driver, paying no real regard to the laws of the road (derived from *The Cannonball Run*), or a person doing dive bombs into a swimming pool, it also has another meaning; someone who just doesn't fit in or obey convention.

Do you ever feel like you just don't fit in? Be it with friends and family, work or study colleagues or the other people that you run in to in your normal haunts ... you may notice that you are different, or feel abnormal even.

I was chatting to a couple of late teen / early twenty-year-olds recently about their plans and hopes for the future. They were clearly 'different' in that they read up on good financial management and are considered to be 'extreme savers' in that they set aside well in excess of 30% of their earnings to provide for their future. Then, there were a couple of people who had established what were considered to be desirable careers, who just wanted out at some point in the near future. They wanted to start doing something that would provide them with a safety net or escape rope from their apparently attractive careers. Finally, one or two people that had experienced something of a shock, be it a job loss or health issues, which had made them sit and take stock of their situation, leading them to want to make a change.

Here's the thing ... many of the world's greatest changemakers were dropouts, misfits or dreamers! Perhaps they had to be different to make a difference? Now, we don't all need to be the next Bill Gates, Mark Zuckerberg or Richard Branson to make a



difference to our own lives, or those of the people we care about. Consider these stats:

There were 2.5 million people classed as landlords in 2018 according to Ludlow Thomson and in another report by Mortgages for Business, around 43% of these own more than one rental property. To put that into perspective, that's under 1.7% of the UK population considered to be multiple landlords.

According to i News, the average pension pot is £50,000 – that's the pot, not the income – which would typically produce an annuity income of just £2,000 per year! Whilst

average savings are rumoured to be just over £10,000, around 25% of people have no savings at all and are literally a pay cheque away from financial distress and ruin.

These statistics don't take into account the rising retirement age and the cost of healthcare as we start to live longer either. So, it doesn't take that much to beat the average when you think about it. Just as the simplest diet plan is to eat less and exercise more, the simplest plan for a healthier financial future is to spend less and save more ... that's it!

Then, for an upgrade from economy to premium economy class, we should invest wisely to achieve inflation-beating

compound growth. Then, from premium economy to business class, if we can earn more, then we can save and invest more to grow that snowball faster too. If you want first class, well that usually comes from scaling and leveraging to multiply your own efforts and capitalising on the effort of other people, networks and systems.

As with many things in life, it's simple but not always easy. So, what is stopping us from following this simple plan then? Usually one or more of the following:

- **A lack of knowledge or education**
- **A lack of finances**
- **A lack of time or conflicting priorities**
- **A lack of belief**

As a reader of Your Property Network magazine, and if you have plugged into the various free or low-cost resources available at The Property Voice, such as the weekly podcast, the free podcast resources page and Property Investor Toolkit book ... I am going to knock the knowledge one on the head straight away. The knowhow you require to realise a better life in property is already out there at no or next-to-no cost. So, let's move on ...

A lack of money (being the main resource we need in property) can be a challenge, no doubt about that. However, when you consider that I am currently mentoring a couple of people on my Apprenticeship Programme who also have very little or in fact no money whatsoever and they are finding a way to develop a plan for a better financial future through property from this starting point, then we can't really accept a lack of money either, can we?

This leaves us with the two biggest limiting factors then: **time and belief.**

With time, we **ALL** have 24 hours a day, don't we?

So, how do some people manage to achieve more with their 24 hours than others? Again, one of my apprentices raised this in one of our group calls. We took five to ten minutes to crowdsource some suggestions between us. To-do lists/apps, what I call my three-to-five list of achievable priority actions per day and a time-logging sheet to track wasted time were just some of the suggestions that transpired. So too was the suggestion to simply drop some things on their list at times, focusing on the ones that would lead

to direct income or definite steps towards achieving their goals. Sure, it might mean dropping that Netflix series or watching the footy on TV ... but that's called sacrificing today for a better tomorrow or delayed gratification. Remember the famous quote: *"to live as others cannot tomorrow, you have to do what others will not today."* I therefore think that half of the battle relates to time management and priorities. Crack that and you are well on your way.

Then, the other big one is about our self-limiting beliefs. Too young, too old, not clever enough (see above), not rich enough (see above), from the wrong side of town or from a marginalised minority, too busy, got a family, got a stressful job or business and so on. These are all circumstances that can stop us from acting and realising our plans, goals and dreams ... but only if we let them! I am one of the so-called privileged ones. White, male, university educated, living in South-East England. But I was also divorced, broke, in debt and with no real clue about how to actually apply these simple financial principles to my personal life, despite having a day-job in financial services! Nuts isn't it?



You see, I had two things going wrong in my life around a decade ago. First, was a lack of relevant education – they don't teach effective personal financial management and investing at school and on most university courses, so I had a knowledge gap as a result. Second, whilst I had tried several business ideas and schemes, I did tend to go about things in the wrong way. I took big risks and I placed my trust in the wrong people around me if truth be known. These were largely issues of belief.

So, here's what I did ...

I spent around four years educating myself in personal finance and property. Back then, the level of information around was less organised and available than it is now and in truth, I could have short-circuited this learning process with what I now know. So you won't need to wait four years to get started in other words.

Then, I worked on my attitude and belief. I don't believe that I have cracked this 100% yet, but I am much further down the track than I was back then. I have two tips here, which may in fact surprise you when you read them. 'Mindfulness', or just sitting quietly, relaxing and calming your thoughts occasionally. Then, I have found the Stoic philosophy to be one of the most practical ways to channel my thoughts into controllable, practical actions.

Why am I sharing some of these more personal insights, you might be wondering? Well, I was all washed-up, in a tough spot and without much of a real clue in my early-to-mid forties in reality, yet I managed to find a way out. I was a misfit ... I had a

successful corporate career, but it always felt as though I was swimming against the tide. I was a dropout of sorts – in my last job I volunteered for a redundancy when my name was not in one of the boxes. I was a dreamer ... always had been in truth, just a dreamer without a viable plan that's all.

You may relate to some of this; chances are that your circumstances are a little different to mine. However, when you boil it down, if you have not yet cracked it with your personal finances and dreams to be working on a viable and actionable plan, then I would hazard a guess that time and belief are potentially the two biggest barriers for you to overcome. You can get the knowledge and funding can be worked around. So, just have a

think about those two biggies: time and belief and then go do something about sorting them! If you feel like a misfit, drop-out, dreamer or even a 'cannonballer' ... there is hope for you yet.

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



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INSIDE RENT 2 RENT

ESSENTIAL RENT 2 RENT SYSTEMS

By Francis and
Emily Dolley



In the property world, **SYSTEMS** are the difference between creating a super slick, self-sufficient business to be proud of ... or an exasperating, all-consuming job that's far more stressful than the one you were trying to escape from in the first place! And as with all things in life, it's a matter of choice.

The way we approached applying systems to our business was to start with the end in mind; what were we trying to achieve? Our strategic objective has always been to create **FREEDOM** in our lives and so any systems we chose to implement must take us closer to that goal.

But before we get started, something we tell all our students to address first and foremost is the email tsunami and the cluttered desk/office syndrome. If you're suffering from either of these, it'll undoubtedly have a detrimental effect on your ability to truly systemise. We have a rule; any messages that aren't helping us reach our strategic objective are an unnecessary distraction and so we ruthlessly unsubscribe. Plus we spend ten minutes on Friday afternoons making sure our desks are clear of all mess and distractions.

Simple systems

Systems are just processes; a set way of doing something. For instance we set ALL of our properties up on a master-key system from day one. This means we have ONE key that opens EVERY lock in the portfolio, and this saves us an awful lot of time over the years.

Some people fix a key safe to every property but we see this as an unnecessary expense and have just ONE police-approved key safe securely fixed to a central property. Therefore we don't have to be present to meet tenants who can only move in on a Sunday and we can direct all tradesmen to the safe, where on arrival we text them the code.

We've also created a notice board system whereby every notice board looks identical, so George, our property manager, doesn't have to think, he just follows the system.

Each house also has a *set-up checklist* whereby before we start filling it with lovely customers, we can do a quick check to make sure everything is in its place and all current legislation is met.



An emotionless response

The one thing that seems to make management agents, rent-to-renters and landlords display extreme bouts of emotion in public, is non-paying tenants. We read in the forums of rent going unpaid for months before it's even noticed.

This always shocks and surprises us as it's such a simple fix to get right. We literally don't remember the last time someone missed a payment. ALL of our rents MUST be paid into our bank by the 1st of the month.

We check the bank account on the 2nd and if there are any missing payments we never get emotional, our set procedure swings into play. This consists of SMS messages, emails, letters and finally a home visit. It's imperative to respond quickly, firmly and professionally.

The Engine Room

If you're still struggling and trying to manage your properties with antiquated Excel spreadsheets, it might be time to get serious and invest in some professional property management software. It's really a case of once you try it, you'll never understand how you ever managed without it.

We initially tried just about every bit of software on the market and found them all to be either severely lacking or mega expensive. Our system was built with the help of engineers from the American software giant Citrix and has such unique features as 'One click tenancy creation' and 'One click referencing'.

These two simple systems alone save us a huge amount of time and most importantly eliminate expensive and stressful mistakes. It also allows us to send and receive contracts electronically, which saves us a ton of money and speeds up the whole moving-in process. The Engine Room software means we can manage our properties from our phones from anywhere in the world.

Conclusion

In a nutshell, when applying systems to your business, remember your strategic objective and repeat this mantra quietly in your head at all times: **Eliminate, Automate, Delegate** (and remember to **Celebrate**).



Francis and Emily are the authors of the best-selling Rent 2 Rent Systems Masterclass manual. Available from www.multiletcashflowsystem.com/store

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ATTRACTING INTERNATIONAL TENANTS

Interview and words:
Angharad Owen

TURNING A CHALLENGING EXPERIENCE INTO A BUSINESS IN LONDON

When Samuele Scodeggio arrived in London from Italy 11 years ago, he realised that it was difficult for international people to find a room. There didn't seem to be a property rental company to cater specifically to foreign tenants. Flat sharing was still common back then, but Spareroom did not exist. Samuele found it incredible how many rooms were advertised on a daily basis on Gumtree ... yet, it seemed difficult to find one that suited all his needs.

In response to the high demand for properties, he met his business partner and started brainstorming ideas to develop the international community in London. His partner had previous property management experience, and together they started to build a portfolio of HMOs through rent-to-rent. And Room Club began.

Now, they manage over 130 properties, equating to over 600 rooms. They have also teamed up with other landlords and property

managers who advertise through their website and their online network covers around 1,700 rooms throughout London and other UK cities.

TENANTS

Their tenants tend to come from all over Europe. The majority originate from Italy, France, Spain and Germany. However, some come from as far afield as Thailand and Korea.

Most of their customers come to the UK to work and/or study. For many, moving to the UK is the first time they have ventured abroad, so Samuele tries to make the transition and moving process as easy as possible.

Instead of landing, having no accommodation and wasting time talking to agents and browsing online, they land and can check in immediately to their new

home. Customers can see real-time availability and are able to book their room directly online. The website is also translated into several languages, so customers are able to read, research and conduct transactions in their own language.

As well as providing customers with accommodation, Samuele and his team offer other basic services such as help with opening a bank account or setting up their national insurance. No-one likes dealing with bureaucracy, especially in a foreign country. Many of their customers are starting internships or are working in large corporations, and they often find themselves leaning on Room Club for help and support.

With tenants coming from all over the world, language barriers and communication issues might be expected. In anticipation of this, Samuele has built an international team

who, between them, can speak at least four languages: Italian, French, Spanish and English. Tenants from countries like Holland and Germany tend to

have a high level of English.

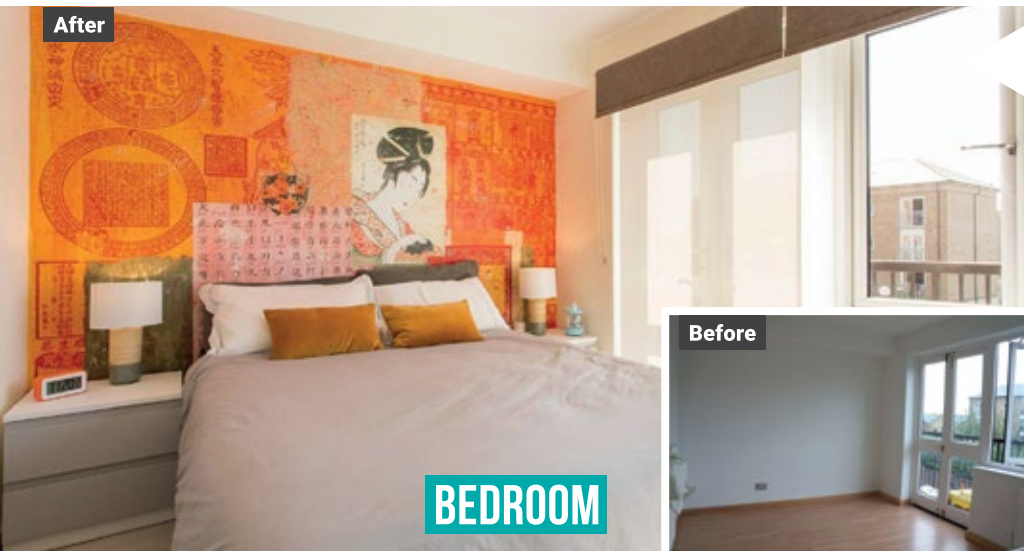
To the few tenants who don't speak any of the languages offered, they are still able to communicate. The Room Club team is experienced in working with people from different cultures and backgrounds.

If a foreign intern walked into a lettings agency in Central London, it would be easy for them to feel intimidated. Everyone working at Room Club have all been in the customer's shoes, however, and are happy to help and assist as much as possible.

There is a huge demand for interns in London, from large corporations to small start-ups. As internships tend to last only for three to four months, they need fast and easy accommodation without any



After



BEDROOM

Before



KITCHEN

Before

complicated terms and conditions.

Recently, Samuele has started reaching out to a few of the companies who employ interns to work with them to house the people they're hiring.

MANAGING A HIGH TURNOVER

Compared to HMOs on an AST contract, there is a very high turnover of tenants in the Room Club portfolio, albeit not as high as for serviced properties. Despite the high turnover, they have few void periods due to their high demand.

They aim to have a maximum void period of four days per room. They have utilised this by not allowing future customers to book a room if an arrival date is more than four days ahead of the room being empty. Most of the time, a void isn't even four days long. There is always a high volume of customers coming through one of their many doors.

However, having such a high turnover involves properties and rooms needing to be checked and cleaned often. A cleaner is

sent to each house at least once a month, and when a tenant moves out, a property manager checks the room and property. Between the two, any maintenance is taken care of immediately.

Samuele, his business partner, and their team of property managers, property administrators and maintenance people rely on technology to communicate with tenants and to move the business forward.

They have built their own system that has allowed them to take care of most things automatically, from check in, drafting contracts, paying rent, and checking out. Tenants have access to an online portal where they can pay rent and let the team know when they'll be moving out.

When a tenant submits a check out date, an automatic system kicks into effect. The tenant is checked to see if they are in arrears. If not, bank details are requested to refund deposits.

The system lets the cleaners and property managers know that an empty room is available, and it's put back on the market.

CASE STUDY 1

VERMEER, LONDON

Type of property	2-bedroom flat
Purchase price	£370,000
Open market value	£380,000
Purchase/ Acquisition costs	£12,000 stamp duty; £2,000 solicitor
Funding methods	Mortgage and JV
Deposit paid	£92,000 deposit
Amount of funding	£278,000
Borrowing rate	1.99%
Monthly mortgage	£790
Total money in	£106,000
Personal money in	£50,000

COST OF WORKS

Duration of project	1 month
Planning duration	1 month
Total costs	£15,580

VALUATION & INCOME

Post-works valuation	£480,000
Re-mortgage amount	£340,000
Rate	1.89%
Money back out	£62,000
Money left in	Personal money £12,000 (including JV £56,000)
Monthly income	£3,000 (rented as airbnb)
Bills included?	Yes
Monthly mortgage payment	£892
Monthly costs	£450
Net monthly cash flow	£1,658
% Return on money left in	35.52% pa

CASE STUDY 2

MALTINGS, LONDON

Type of property	2-bedroom flat
Purchase price	£361,000 mortgage
Open market value	£380,000
Purchase/ Acquisition costs	£8,050 stamp duty; £1,950 solicitor
Funding methods	Mortgage and JV
Deposit paid	£91,000 deposit
Amount of funding	£271,000
Borrowing rate	1.99%
Monthly mortgage	£740
Total money in	£99,000
Personal money in	£99,000

COST OF WORKS

Duration of project	1 month
Planning duration	1 month
Total costs	£17,000

VALUATION & INCOME

Post-works valuation	£410,000
Re-mortgage amount	£410,000
Rate	1.89%
Money back out	£30,000
Money left in	Personal money £76,000
Monthly income	£2,580 (rented as airbnb)
Bills included?	Yes
Monthly mortgage payment	£680
Monthly costs	£450
Net monthly cash flow	£1,450
% Return on money left in	23.00% pa

Reporting a maintenance issue is a similar. When something is reported through the portal, the office receives a ticket which is sent to the relevant team member to fix.

Cleaners and maintenance teams send photographs back to the office when something is fixed or cleaned. All photos are kept in a catalogue, so they can keep a record of the condition of each property.

LEARNINGS FROM A LARGE PORTFOLIO

Things don't always go to plan.

Samuele has learned over the years to not get distracted by growth and not let small issues slip under the radar. With hindsight, he realises that he let down some customers. In these situations, it's necessary to recover as quickly as possible and constantly make the conscious decision to focus on helping current customers. No matter how important growth is.

There have been times in the past where occupancy levels weren't as good as he hoped. During these critical periods

Samuele and his team learned the need

to keep improving and working on the systems every day. It's important to adapt to the changes that are coming to the markets too.

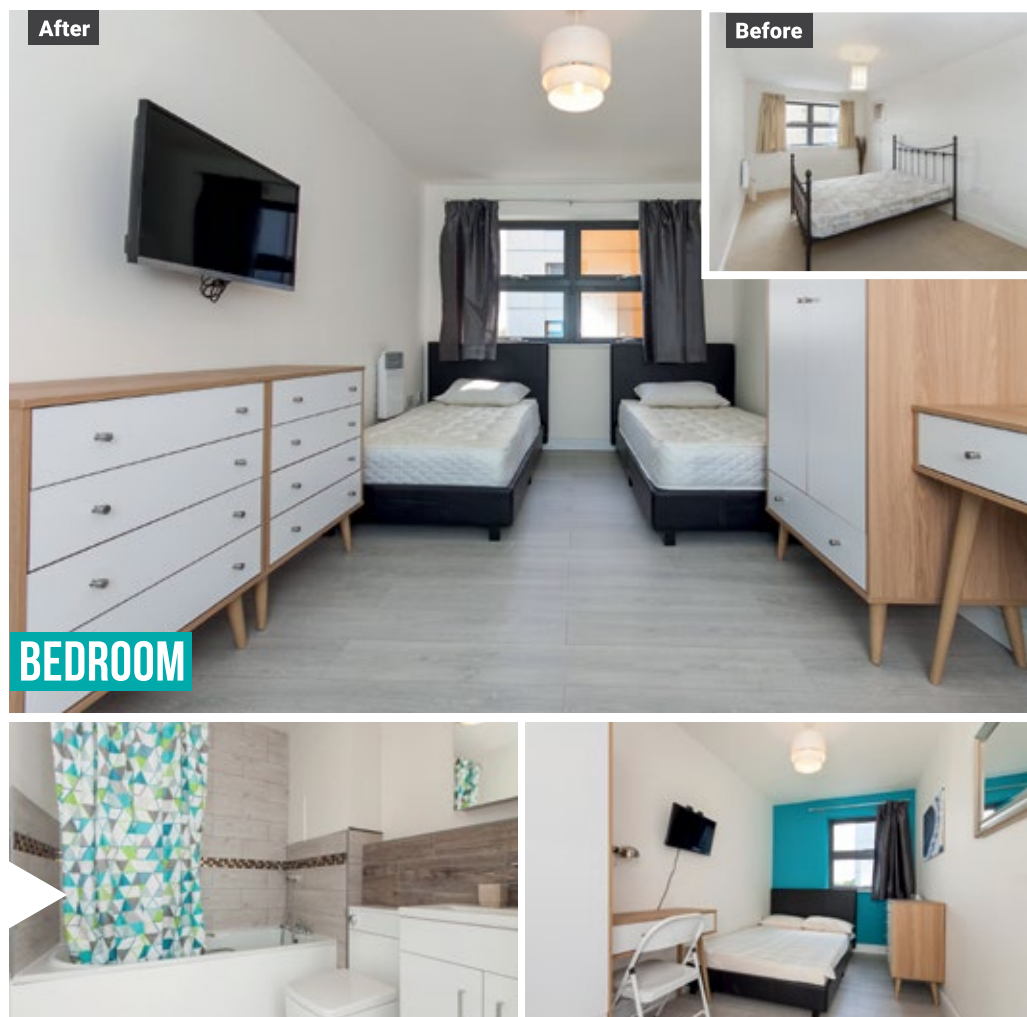
Even with building a strong and competent team, they still must have the knowledge and capabilities to quickly adapt to changes. For example, if there are 100 check outs in a month, they will need 100 check ins. If someone is not there to keep an eye on the systems and to immediately alter the pricing structure, or to offer deals to entice customers, they end up with more voids than usual.

With a business as large as Room Club, not receiving the required amount of bookings per month is a big issue.

Their aim for the future is to focus on putting systems in place to allow the business to adapt quickly to market changes.

B****T

Many businesses in the UK are going to be affected by Brexit. However, with most of customers coming from the EU, how will Room Club adjust? They began making the necessary adaptations a year ago.



BEDROOM



CASE STUDY 3

EAST INDIA

Type of property	2-bedroom flat
Purchase price	R2R - £1,400 - monthly rent £1,400 deposit
Open market value	£1,500
Monthly payments agreed	£1,400
Funding methods	Cash
Deposit paid	£1,500
Total money in	£2,800
Personal money in	£2,800

COST OF WORKS

Duration of project	1 week
Planning duration	1 week
Total costs	£2,500

VALUATION & INCOME

Monthly income	£2,350
Bills included?	Yes
Monthly costs	£350
Net monthly cash flow	£800
% Return on money left in	181.00% pa

CONTACT

Room Club helps landlords and tenants in the UK to let, rent or manage any kind of shared accommodation, avoiding excessive fees and management hassles.

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roomclub.group

Manager@roomclub.com

Click here to listen to the full interview with Samuele

Naturally, tenants were worried. Samuele and his team have, however, kept them updated with current developments and reassured them that they will not be kicked out of the country. It's difficult to fully understand everything that is happening, but reading as much information as possible will keep both team and tenants in the loop.

For the business, however, the large dark cloud that is Brexit looming above the country has forced them to consider opening up to different markets outside of the EU. They have expanded into Asian countries, and partnered with companies who bring interns over from the States and Australia.

The biggest change since Brexit was announced, and with the deadline fast approaching, is that Samuele has noticed that tenants are not leaving as often as they were.

While many did leave the UK to head back to their home country, since Brexit was first announced, Samuele has noticed that the number of empty rooms in their portfolio has declined. The turnover of tenants has slowed down, and they have people wanting rooms but with nowhere to put them.

In previous years, December was a bad month. People would check out to go home and spend time with family during the Christmas period, and similarly people would not arrive in the UK for the same reasons. But Christmas 2018 was different. Most stayed because they wanted to retain the security of their accommodation and job post-Brexit.

But, as always, no one knows what will happen next. The number of arrivals and people wanting to book is still strong. Companies will always want interns, and

universities will keep supplying and marketing courses for international students.

SEASONAL CHANGES

Many years ago, the busiest period was July and August, and people were coming to the UK for only a few months for short-term work experience.

However, now the trends are starting to shift. The busiest months for bookings are September and October, to coincide with the starting of the academic year for both university students and interns. Although tenants may only stay with Room Club for a few months, most who move over to the UK come with the intention to start a new life.

MOVING FORWARD

Despite there now being a potentially higher demand for rooms in London than before, Samuele is not actively looking to grow their portfolio, at least until the Brexit waiting game is over.

Samuele is happy to have a chat with anyone about what he does and how he does it. He admits that one of the main mistakes he made in previous years was not meeting enough people and not attending as many meetings as he does now.

"You never know, you could really meet someone that is going to be complimentary to your business. If anyone wants to get in touch just for a coffee, why not?"

The North East is the Biggest Jewel in The Buy To Let Crown.

We offer lucrative property deals in the North East! Our below market value investment opportunities will allow you to create an income stream through property and receive excellent returns on investment!



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Mini H.M.O.'s 3 - 4 bedrooms Returning £380.00 per month rental profit. These mini H.M.O.s are becoming extremely popular as they fall outside of the new H.M.O. Licensing laws. Purchase prices £70 - £90K

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Join us in London or Durham and Discover what we can do for you.

This is a free one-to-one consultation to understand more about buy to let opportunities in the North East of England.

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- How to achieve massive returns with double digit yields.
- The kind of areas that we source versus the areas we don't and the reasons why.
- The type of properties we source and the high returns that are being achieved with real live examples.
- See videos and pictures of our recent refurbishments to get a flavour of the quality of the finished product.



Come and join us for an hour to see what we can do for you and understand the North East property market and what it can do for you.

Please register your place either by email - info@talkinghouses.co.uk or on the contact us page on our website www.talkinghouses.co.uk or alternatively call us on **0191 501 8091**.

Our places are limited and fill up fast, so please register your interest at your earliest convenience.

Once registered you will receive your ticket via email.

Our upcoming dates

London Marriott - Canary Wharf

Thursday March 14th. 1 hour consultation slots from 10am till 5pm.

Ramside Hotel - Durham

Thursday March 28th. 1 hour consultation slots from 10am till 5pm.

Look forward to meeting you there.



Our very best

Mike Massey BSc (Hons)
Founder
Talking Houses NE Ltd



Martin Cockbill
Operations Director
Talking Houses NE Ltd

IS OFF-SITE MANUFACTURING (OSM) THE BUILDING METHOD OF THE FUTURE?

PERHAPS

BY PETE CRAIG

Interview & words Heidi Moment

New developments in technology are changing the way we do lots of things, including building houses. We met up with **Pete Craig** to find out more about this exciting new method of construction in the first in this new series. Will it change the way you approach your next project?

EXPERIENCED IN BUSINESS

For the last 30 years I've been either owner/operator or manager of a number of businesses in a wide variety of different industries. From hospitality and leisure through to security, recruitment, manufacturing, sales, ecommerce, tech and events.

Most recently I've been working in the tech start-up sector. It's a very high-risk industry, and although I've learnt a lot and had some fun I realised it was time to do something with a bit more stability. And that's when I started looking at property.



FINDING A PARTNER

When I start a new venture I always try to understand what's necessary to be successful in that business, as well as identifying my own strengths and weaknesses and looking for potential partners to work with who have the pieces that I feel are missing.

My skill has always been identifying strategy, understanding what's necessary and building teams, and I was confident I had the right people around me to help me access money, structure deals, negotiate in the right way and communicate my message effectively.

But I was new to construction. There are a lot of moving parts on a building site and I had no knowledge of how they all fit together. So I started looking for someone to fill those gaps. In August 2017 I met Andy Hubbard and the rest, as they say, is history.

Andy's got a lot of construction experience and through getting to know each other and discussing strategies we found we were both really interested in new

developments, and in particular off-site / modular developments. We decided to work together and that's when Bishops Gate Developments was formed.

"This is transformational for the construction industry"

STRATEGY

Off-site modular construction ticks a lot of boxes for me. It embraces a lot of new technology, new ways of doing things and challenging the norm. Both Andy and I feel that this is going to be the future of house building, maybe not immediately, but certainly in the future. I don't think it will replace traditional construction, because it doesn't work everywhere, but it will certainly play a huge part in addressing the housing shortage as we move forward.

Our strategy is to use OSM to create desirable properties across the full spectrum of housing, including social and affordable, whilst maximising returns for our investors.

OSM EXPLAINED

Photo © Lesko Modular Group Ltd

OSM stands for **off-site manufacturing**, which is the overarching term for the sector. It includes anything that's manufactured off-site, including:

Structurally insulated panels (SIPs) – wall panels that when assembled make up the superstructure of a building. In some cases the door and window openings will already be cut out, or on others they can be cut out on site.

Cassette based systems – usually an entire pre-assembled wall, floor or roof, that has doors, and windows already installed. The whole unit is then just lowered into place.

Volumetric modular – a fully assembled six-sided box that when stacked with other boxes forms a house. This is transformational for the industry.

Bathroom pods – a single completed unit that is installed into the building removing the need to manually install the space. These have been used for a long time now in hotels and student accommodation to save time and reduce costs.

“A house made out of a six-sided box stacked on top of other boxes”

THE BENEFITS

Speed

Speed is one, but that has to be taken in context. You might hear that entire modular houses can be built on site in a day. This is almost true – they can be assembled within a day, but there is factory construction time of around two to three months prior to that.

What's good about this is that you can be on site building your foundations while the modules are being built in the factory, so you're effectively working on two sites simultaneously, which reduces the time spent. At the three-month point when the modules get delivered you could literally have your house built within one to two days, which is pretty amazing.

Predictable quality

We've all seen images of houses with shocking brickwork, and many new homeowners report ridiculous amounts of snagging. It's inevitable that on a building site with five or ten different bricklayers you'll find that some of them are very conscientious, but others might have had a few too many drinks the night before and all they really want to do is go home. So the standards of quality can vary a lot across a single unit, let alone across an entire site.

Within the factory environment, modular homes are checked and double-checked.

As they move from one department to the next they have a little logbook that goes with them. It clarifies the work has been done and is signed by the guy doing the work, his supervisor and the quality control manager for the manufacturer. By the time it gets to you, you know the quality standard is going to be high, and more importantly, predictable, which is what we like.

Predictable costs

When using OSM the whole underlying ethos is that by using factory manufacturing you will be able to predict your costs without the nasty surprises you might get with traditional methods.

If you're building the same thing every single time you will have the same size modules, using the same materials and the same manufacturing processes, so it's almost like you're buying off the shelf. Not only does this make costing more predictable, but if you're doing them on a larger scale you'll also benefit from economies of scale, which is why we are seeing this type of construction being used more often in high-rise buildings, student accommodation and build-to-rent schemes, rather than traditional residential.

THE DOWNSIDES

Downsides include methods not suitable in some locations, limited access to lending and limited capacity. But none of these are insurmountable.

STEEP LEARNING CURVE

Since we started, we've had to build up our knowledge and expertise in this area. We spent a lot of time scouring the internet, researching the process and understanding the possibilities, as well as the constraints of the industry.

We sought out people who had the skills and experience we lacked, and the knowledge we wanted. Then we banged on doors until they agreed to meet us. Being persistent is key in this game. It paid off and we went on to spend valuable time with the product and production managers in factories, as well as with architects and engineers, all to understand how this works and where it can be used.

ASSESSING A SITE

Assessing a site is very similar to that of a traditional site. This method isn't suitable in all locations, so we always assess each site, initially for **volumetric modular, then panelised systems, steel frame, timber frame and finally traditional**. This allows us to select the most efficient and effective construction method for the project.

One of the biggest frustrations from the manufacturers is that they get people coming to them and saying, *"We've got this site, it's got full planning. Here's the designs, can you make it in modular for me?"* But it doesn't work that way. The best way to really benefit from this type of construction is to design your site from day one with off-site/modular in mind.

"To get the best results, design with modular in mind from day one"

PLANNING THE PROJECT AND GETTING COSTS

There are two ways to do this depending on what you're going to build and how you're going to build it.

Some manufacturers have in-house designs to select from, so, it's almost like looking through a catalogue and picking one that fits your dimensions. If you do it this way you can go straight to that manufacturer and say: *"I've got this site, this is how many houses I'd like to put on it. What's the cost?"* It's easy for them to give you a price, because they've already designed the houses. This is a great route to go down, as it essentially reduces your cost and the need to get an architect. Although, you will still need an architect to do your site layouts and plans, but the detailed drawings will have already been done by the manufacturer.

Alternatively, you can design your own homes from scratch with the help of an architect who has knowledge and expertise in modular construction.

COSTS ARE SIMILAR TO TRADITIONAL BUILD

Costs depend entirely on the types of materials used. Using materials that are relatively easily accessible, such as steel and traditional timber, puts your costs on a par with traditional build. But if you're using things like cross-laminated timber (CLT) that has to be imported from Europe, you can expect your costs to go up.

Your location is important too. In London, modular is often cheaper than traditional build purely because you could be paying up to £3,000 per square metre for a traditionally built house. But, in the rest of the country it's about the same. The lowest we've seen is probably around £900 a square metre.

FEWER WORKMEN ON SITE

Often with OSM you buy a supply and build contract – the modules are built and fitted in the factories, and then installed and commissioned on site by the manufacturer. So the only other people you need on site are a groundworks contractor, an electrician and plumber to connect the services and a project manager, if you don't want to manage it yourself.

This is one of the things that appealed to me, as I am able to take a more management-focused approach and there are only two people I need to speak to – the manufacturer and the project manager.

FUNDING

This is perhaps the area where the industry needs the biggest change and support right now, and I think that will come when more developers start to use this type of construction. Unlike traditional development finance where the surveyor comes out and sees the foundations have been put in, which means the land has increased by X amount, so the bank can lend you X amount, then they come out again to see the next stage, and the process goes on until the project is finished. With modular, the site pretty much looks the same until the very end, because everything is built in the factory. So the majority of lenders are struggling to get their heads around that.

The good news is, there are now two prime lenders who have created a product that works for this type of construction. In addition, there are a number of private funders, family offices etc who are happy to support these developments.



And our brokers and finance professionals expect more lenders to do the same in the future. It's a bit like when buy-to-let mortgages were first introduced. At one point there were only one or two lenders but now it's a standard product offered by all.

BUILDING REGULATIONS

As with traditional building, your OSM houses need to meet specific building regulations. This has been made easier by an organisation called BOPAS - Build Off-site Property Assurance Scheme. Their assessment accreditation process inspects the factory and manufacturing facilities to make sure that all the manufacturer's systems and processes are correct. This includes things like their hiring policies, how they do quality checks, how they store their materials, where they buy their materials from and all of those things. It's extremely detailed.

So when looking for a manufacturer and build system we always check if it's BOPAS accredited. A valuer will do the same for the buyer once you get to that stage too, as this gives them the assurance that the build system meets all the regulations for housing, is structurally sound and is being constructed in the right way, which makes them comfortable to issue a mortgage against it.

THINGS TO BE AWARE OF:

Groundworks

Depending on the ground conditions and what your ground survey comes back with, it is possible to use traditional foundations. However, because the houses are typically lighter than traditionally constructed houses people tend to use either pile, screw piles or pad and beam type foundations.

We've found one manufacturer who has created a system that almost doesn't require any digging at all, which is pretty clever.

Pre-construction / planning

Driven by environmental pressures, councils and planning departments are becoming more and more open to this. In some cases we've heard of planners actually stipulating that off-site construction be used to certain degrees. For example, this particular site has to have bathroom pods, or 50% of the site has to be constructed using panels.

This is also an approach Homes England are taking with land they make available through the DPP (Delivery Partner Panel). This is positive news and bodes well for the future of OSM.

Transport

These modules are very large pieces of construction. The volumetric modular units are typically 12 metres long by 4.6 metres wide. When it comes to delivery they come by very large low-loading lorries, potentially 19 metres long and five or six metres high. Your task is to make sure they can get access to your site, which means taking into consideration things like turning in circles, cornering, road width, overhead cables etc. Some manufacturers will give you a price including delivery. Some don't. Make sure to ask.



Photo © Ilke Homes



Photo © Ilke Homes

CONTACT



**BISHOPS GATE
DEVELOPMENTS**

For more information about off-site/modular construction, contact Pete or Andy through their website.

www.bishopsgatedevelopments.co.uk

Join the Off-site Construction Community on Facebook: **<https://www.facebook.com/groups/offsiteconstructioncommunity>**

They also offer a three-day training programme covering all aspects of property development, including a whole day covering OSM. Find out more at **www.bishopsgatetraining.co.uk**.

And look out for more about the practicalities of modular construction in future issues.



Taking on a refurb project is challenging and rewarding in equal measures, but you never start with a blank page. The process can be complex, and if there was one consistent feature that I was aware of, it's that unforeseen issues and expenses do happen.

Refurbs are especially risky for first-timers and those with less experience, or when you are using a new contractor for the first time. So it is good to know where you should start and what elements you should prioritise as you move forward with any project.

Every project is different. Not all of the below will matter on every one, but this is what I think about before approaching any refurb ...

- **Surveys**
- **Statutory considerations**
- **Architectural schemes, drawings and floorplans**
- **Schedule of works**
- **Budget and contingency**
- **Tendering (getting quotes)**
- **Contracting (with builders)**
- **CDM/Health and safety**

SURVEY RESULT(S)

Generally speaking, you should always commission a building report/survey from a chartered surveyor before exchanging on a property.

Bear in mind that a surveyor won't necessarily be able to uncover hidden problems and won't usually give an idea of the costs, but they will raise concerns where necessary and make recommendations as to whether you should get additional surveys, such as drain surveys, structural surveys, asbestos surveys or damp surveys. Where possible, you should get these before you exchange to avoid taking any unnecessary risk (As you get more experienced you might choose to take advantage of proceeding without commissioning stuff like this –

if you're extremely confident – and this could give you an edge of other buyers.)

As a general rule, we get an electrical survey on most purchases prior to exchange. Doing this means you can rule out some of the biggest risks immediately, or you can factor any associated costs into your plan and make an informed decision as you proceed.

PLANNING AND BUILDING CONTROL (CONSIDERATIONS)

Make sure you get the necessary consents, such as planning and building control, prior to starting any work. It is a minefield and I prefer to get the right advice, even if the final answer is that we don't need any particular consents.

There are lots of intricacies to this stuff. Taking the time to understand these intricacies, even if you have to pay for some advice, can save you a lot of money and might well avert a worst-case disaster, like going ahead with something that fails building control and subsequently gets flagged up by a mortgage company later on.

ARCHITECTURAL SCHEMES AND FLOORPLANS

If you are moving lots of walls around or extending in any way, architect's drawings or floorplans are probably a necessity unless you're very experienced. Sometimes you don't need an architect, just an architectural technician if you only want some sketches, etc. Most forms of planning applications and building control require scaled drawings, often of the entire house.

THE REFURB SCHEDULE

A schedule lists what work needs to be done, and in what order.

In addition to having one schedule for the entire project, it is often helpful to break a project down into phases depending on the size of the scheme, such as 'loft conversion' for example, especially if it's a sizeable build. This will help you compartmentalise the job and mitigate the risks of overlapping work and costs.

There's a logical order in which refurb works should be undertaken. Preparing a plan of attack is a very useful way of estimating the likely cost and time schedule of a renovation project.



BUDGET AND CONTINGENCY

This is the marrying of your schedule with the costs. If you have bought an HMO (or are planning to buy an HMO), you should already have factored a total estimate for the refurb costs into your financial appraisal. But estimates are just that, an estimate. Preparing a detailed budget is the process of creating an itemised spending plan for the project.

Creating a budget allows you to determine in advance, with a high degree of accuracy, whether you are likely to achieve the outcome on the property you require, both physically and financially. A good budget breaks down every associated cost and this allows you to see where you may be able to, or indeed need to, cut costs, change a plan, or in some cases, spend or do more. It's also vital if you are going to tender the works out.

Depending on the scale of the work you're carrying out, you should prepare yourself for a few practical issues along the way so it's sensible to factor in a contingency of at least 10%, especially if you are inexperienced. Using up the contingency is a consistent feature of our refurb, as there is always something that crops up or needs changing!

GETTING QUOTES

Comparing builders' quotes is impossible unless they are all quoting for exactly the same job, so that means your budget needs to be good.

It's up to you to tell the builders exactly what you would like done, right down to the nitty gritty stuff like fitting locks, cleaning down and fixing blinds, etc. Extras can get very expensive and will eat up your contingency really fast.

The best builders are referred from reliable parties and you should also be willing to

wait for the right builder. You can use sites like Rated People and so on to get multiple quotes but make sure you do your due diligence and get references.

CONTRACTING

There are various contracts you can agree with a builder. To be honest we don't use these that often because we work with our builders so frequently. But there are occasions where we do, such as when working on bigger projects, or with new parties.

This is also important to consider if you are working with a private investor, because you will need to protect them.

A contract can account for advance warnings, resolutions of a delay, proposals for improvements and cost savings, payment terms, provisions for dealing with changes to the project, including the timescales, and lots more. There are different types of contract, but I couple I know of are:

- **JCT – The Joint Contracts Tribunal, also known as the JCT, produces standard forms of contract for construction, guidance notes and other documentation that you might find helpful.**
- **RIBA Building Contracts are clear, concise and easy to understand and use contracts between a client and a contractor.**

CDM, HEALTH, SAFETY AND INSURANCE

The Construction Design and Management Regulations 2015 (CDM) came into force on 6th April 2015. These are a set of regulations governing the way construction projects of all sizes and types should be planned and executed. There's an app for this but if you're doing refurb

projects, I'd recommend you have a look at this stuff.

Somebody must be responsible for a site and there must be adequate insurance in place including public and employers' liability. Check this is all in place. Sub-contractors such as heating engineers and electricians should be registered with the appropriate governing body and you have duty to check this and their insurance.

DELIVERING THE REFURBISHMENT

An effective and efficient refurbishment can be planned and delivered by following this schedule.



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**
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Contact Andy now to get your copy of The Complete HMO Investment Manual, which covers everything you need to know to start and scale a HMO investment or rent-to-rent business. In this guide, Andy shares his expert advice on everything from sourcing and appraising deals to interior design and raising private finance.





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FIGHTING BACK TO FULL HEALTH

HOW PETER LICOURINOS FOUND FULFILMENT IN PROPERTY

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

Before becoming a highly successful property investor, Peter Licourinos spent time working in the IT industry. After years of work and a brief travelling period, he met James May. Little did he know that this encounter would change his life.

They met in a pub. James had overheard Peter conversing, and believed that Peter would make a good estate agent. James invited him to an interview, where he received an offer to join Prospect Estate Agency.

There, Peter sold 46 houses within the first three months, and progressed into management and then into directorship. In 2007, he opened their new Reading office. The launch of the new premises allowed them to expand into the investment market for the first time. At the time, Reading was one of the best places to invest in the UK.

There was a huge number of investors registering with the business, and Peter and James came up with the idea of an investors' club. Subsequently, they became the first estate agent to introduce an investors' club as part of the business.

When the market crashed in 2008, James and Peter saw an opportunity rather than a problem. The fall in house prices meant that investors could come into the market and buy properties at a reasonable price. But people were cautious about investing in the uncertain times.

This is where the investors' club found its strength. It allowed someone who was interested in investing in property to sit with either James or Peter and speak with them for an hour. They would listen and aimed to understand what the investor wanted to achieve and why. Together, they would build a business plan, help the investor buy the right properties in the right areas, and hold their hand to become financially free through property.

A SHOCK DIAGNOSIS

This was going well until three years ago, when Peter had an accident. He slipped a disc in his neck. That was traumatic enough ... but during the MRI, they found a brain tumour the size of a tennis ball. It had been growing for up to ten years.

"I remember my mum coming down to see me in the evening. It was probably the worst moment of my life. I opened the door, and my mum appeared and she just looked at me and said: 'What's happened to my baby?'"

Within one year, Peter had gone from being a positive and confident person to an all-time low. Two operation appointments were postponed at the last minute, but third time lucky.

After an eight-and-a-half-hour operation, surgeons removed 90% of the tumour. The remaining 10% was resting on a major nerve, which they cauterised.

He stayed in hospital for three weeks before coming home. Although he should have taken six months off work, he was back hosting the Reading pin within three weeks of being discharged. He wanted to prove to everyone that he could recover from the operation quickly.

SOUL SEARCHING

But he overstretched too soon and became exhausted. For the first time in his life, he was getting tired before midday. Over the next six months, he did some soul searching to think about what he wanted to do and where the future would take him.



Although by this point he had been with Prospect for almost 20 years and had seen the company grow from 20 to 125 people, his passion was for property investing.

"I think what came out of this was I just wanted to wake up and do what I love every single day. And that's how I moved forward."

Although Peter was desperate to get back to work again, it was at least a year later that he could say he felt truly better. ***"I remember waking up one morning thinking 'I'm not tired anymore'. It was just the most wonderful feeling."***

He worked hard on getting himself fit and spent time not only doing the things that made him happy, but also with other people who had a positive effect on him.

"Everyone's going to have something at some point in their lives that will get them down. But if you work hard and you're positive, eventually you will overcome it. I did. I just worked my ass off, remained positive and I just got through it."

A NEW LIFE — INVESTING AND HELPING OTHERS

He sold his shares in Prospect and instead opted to work full time with property investors looking for developments. Last year, he started working with Mark Lloyd and Jackie Reeves, and together, they mentor others.

His business with his partners James May and Colin Wells, Heritage Investment Group, also evolved further. This company is predominantly used for connecting people in property, developing properties and either working on their own projects or working with other investors and developers.

HMO ON STEROIDS

During this period, his HMO on Steroids venture was born. HMO on Steroids is designed to help others acquire and run HMOs. Within the current BTL market, it can be difficult to make a good profit, however Peter believes that licensed HMOs, done well and in the right areas, could be profitable for investors while providing outstanding and affordable accommodation for tenants.

As more and more legislation creeps in, it can be easy to lose track of what's right and what's wrong. Peter explained an example to us:

This time last year there were 3,500 HMOs in Reading. Only 900 of these were licensed. The remaining unlicensed landlords could get around the licensing laws and provide potentially sub-par accommodation.

But from October 2018, all five-bedroom+ houses need to have a licence. In theory, this should set a level playing field for landlords and will eventually improve the quality for accommodation and living for tenants. It may lead to less of a need for Article 4, which came in to protect communities and areas.

Stronger legislation forces an industry to improve. Those who cut corners will either leave the market or learn quickly and change.

Peter's portfolio and business is based in Berkshire and Surrey, and has been for the past 20 years. He's comfortable with the area and believes that he's well equipped to advise on where the best properties can be found. If within budget, there are good deals to be found in the south of the country.

For his investors, he focuses on opportunities for capital growth, established blue chip companies, transport links and good communities, as well as keeping in mind the basic amenities such as supermarkets.

It's not possible to pigeon-hole what kind of house works as an HMO; rather, he considers, it's important to look at an abundance of factors. However, Peter tends to prefer older houses. The square footage of a 1930s four-bed property is the same as a six-bed house in 2010. Bigger houses allow for more room to play with. Many have front gardens that can be converted into car parking spaces.

Based on the type of house, the purchase price and making sure the desired profit is being made, five- to six-bedroom HMOs work well, in Peter's opinion. ***"It's a nice amount of people to have in a property and it could be very profitable for the investor."***

In most of the home counties, HMOs with seven rooms and above need to have planning permission. Immediately, the investment is greater in terms of both time and money, as well as a high risk.

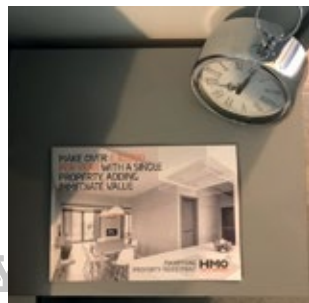
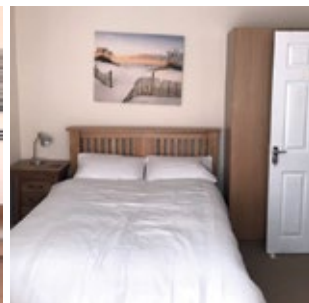
CASE STUDY

The property in Bracknell houses professional tenants, as there are many blue-chip companies based in the area. It is a six-bed HMO, bought for £320,000.

It was built in either the 30s or 40s as a four-bed house. It had a big footprint, so Peter knew adding additional rooms would work well.

Peter worked with an investor, albeit through HMO on Steroids. As this business focuses on offering a turnkey investment, the investor could get involved as little or as much as he liked.

The property was sourced at 5%-10% BMV. On the day of completion, Peter's refurbishment team went into the property and began work. Four weeks later, the HMO was ready to be marketed and rented to tenants.



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CLIENT FOR LIFE!

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GO-TO-PRO!



Where possible, Peter tries to have one bathroom/shower room to two bedrooms, which works well. He has found that professional tenants are not necessarily looking for an en-suite room, preferring bigger rooms instead.

The rooms are all fitted with good quality, durable furniture with lots of storage, especially under the beds. They provide bedside tables, desk, chair, and if the room is big enough, a sofa.

"Two words I would use to explain why we're so successful is quality and convenience. I think convenience is what customers want as well as the high quality we put into our houses."

On this property, Peter's investor is looking at £1,200-£1,500 net profit. The investor owns the property, HMO on Steroids aims to help others build their portfolios, so Peter doesn't take a share of it.

VALUATIONS

HMOs can be revalued in one of two ways: commercial or bricks and mortar. Which one is used depends on the investor and what they want to do. Many look to add value and take money out quickly. But Peter's advice is to stabilise investments. Be patient, look to add significant value, and go with an improving market over two to five years. It is within this period that it's best to take money out and reinvest it.

Those who want to get rich quick or take as much money out as possible within six months are not the type of clients Peter wishes to work with. Property investing needs to be done carefully and it needs to be done with a long-term focus in mind. Only then can it be profitable.

THE FUTURE

After his turbulent few years, Peter can finally start to look ahead. Over the next few years, he wishes to take the property mentoring with Mark and Jackie to a higher level, as well as do a at least two or three small developments with Heritage per year. Maybe even some bigger deals at some stage.

He intends to continue working with HMO on Steroids to help others become financially free, or enable them to have a pot of money to enjoy at a later date. The flexible nature of the business allows Peter to touch on other property strategies as well, so when the market changes, he may start flipping properties again, or doing C2R conversions, or utilising the R2R strategy, or lease options ... ***"There's no end to what this side of the business can do."***

Professionally, he's looking to take all three of his businesses and maximise them to their full potential.

And on a personal note ... ***"I guess I'd like to give my fiancé a little bit more of my time because she doesn't get much of it. I've always been a workaholic and she puts up with it. So I'd like to have a few more holidays with her."***

CONTACT

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M 07912361051 P 0118 979 9002

Click here to listen
to the full interview
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THE BUY-TO-LET MARKET OVERVIEW

By Chris Worthington

The main subject of this month's market overview is converting shops to residential use. First I have to declare a personal interest – not from the point of view of BTL investor but as a tenant who lived above the shop of my first business venture in Brixton in the late seventies. Facilities were somewhat basic but the big advantage was having a lot more space available than would usually be the case in a modern flat. Given the chance I would have bought the property but that would not have worked out well ... the shop burnt down in the Brixton riots in 1981. "It was the best of times and the worst of times." – Charles Dickens, *A Tale of Two Cities*.

A recent report entitled "Charting UK Property Trends" published by real estate software company MRI Software canvassed the opinions of 144 senior property experts from a range of organisations. The findings for conversion of retail to residential were as follows:

- 91% say that Generation Rent prefer to live in town and city centres so they can have access to amenities that suit their lifestyle such as gyms, cafes, bars and shops.
- Almost three quarters of property professionals see residential development of former retail premises as the route to giving the British high street a new lease of life.
- Two thirds of people in the property industry think ex-retail property could be the biggest untapped resource for new residential development the UK.
- Four out of five property insiders say co-working shared office spaces such as WeWork are likely to be users of former retail premises in UK town and city centres.

Colin O'Reilly, sales director at MRI Software, commented: "The challenges faced by retail won't be solved by a shift to residential but the trend will be significant to opportunities for property owners. Retail property owners will increasingly become residential landlords. Ultimately more people living in town centres will enhance the opportunities for retailers and other

businesses such as coffee shops, health clubs and entertainment venues."

In 2014 new permitted development rights came into force allowing the change of use of a building from retail (Class A1) or financial and professional services (Class A2) to a dwelling house (Class C3). This is subject to certain conditions including the maximum floor space (150 square metres) and may require prior approval from the local planning in respect of transport,



flood risks and design. Prior approval may also depend on whether the change is undesirable in relation to any impact on the provision of retail and financial/professional services and the sustainability of a key shopping area.

This does rather beg the question of how sustainable some high streets are in their present form and planning authorities may need to consider amending their criteria for the loss of retail space in high streets that are in decline.

Based on the evidence from the MRI Software survey, there is a growing market for residential property converted from shops in high streets. The planning guidelines for change of use are favourable although as ever these are at the discretion of the local planning authority. So apart from planning permission, what are the

barriers for BTL investors and obstacles that will need to be overcome for a retail to residential conversion?

Valuing the property for purchase may be problematic because there may not be many similar properties in a given area to make a comparison. Investors will also need to be willing to take on a development project to refurbish the property. This may involve some demolition and reconfiguration and, in some cases, creating a separate entrance. The property is also likely to need rewiring and new plumbing. You may already be thinking that this is not a project for the faint-hearted but using experienced professional advisers will mitigate the risk. And with the right property, a retail to residential conversion presents an interesting challenge in terms of design. There is also the possibility of retaining the shop unit to form part of live/work unit. When the project is completed the investor will own property in a growth sector of the property market with a rent that is commensurate with town centre location.

In the past, owners of shops and estate agents were often reluctant to consider alternative uses for an empty shop with the expectation that another business would come along to take on a new lease. But the times they are a-changing in the high street because of internet shopping, and shop owners are likely to be increasingly open to a sale for residential use or decide to become residential landlords themselves.

A footnote on short term lets of flats. Glasgow City Council have introduced new regulations to prevent an entire flat being let out for a short term, such as a holiday let, in a residential block with a communal entrance. An individual room can still be let out if the owner remains in the property but planning permission for change of use for a short term let is required if the owner does not live there. The council said that this could be refused in areas where there is high density of rented flats. The introduction of the new regulations followed an enforcement notice to stop a short term let because of complaints about noise and disturbance from neighbouring residents in a block of flats.



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

YOUR HMO Q&A

With Rick Gannon

In this month's edition, we have a great question and answer session. All the questions have come from my HMO and Property Community Group on Facebook, so they are real questions from real people!

In no particular order ...



The first question is from Hitesh:

Q) I would like to know if there is a secure solution to this problem. I have an HMO, and I currently manage it myself. It is a four-hour drive away, and there are four rooms in the house. I just wondered, if one of the tenants were to lose their key, what would be the best way to get a replacement to them as I always keep the spare keys with me?

A) At the front or the back of our HMO properties, we install a lock box or a key safe that contains the key to the front door or the back door. This isn't for tenants' use, but for ours. It means that we can gain access to the house at any time, 24 hours a day. It negates the need for a master key, and we can also give the code to our tradespeople if they need to gain access for any emergency repairs.

Inside the property, we also have lock boxes for each room situated somewhere inconspicuous, maybe under the stairs or in the cellar or the kitchen. The tenants don't get the code – as with the external key box, it's not for their use as a door key safe, it is solely for our purpose and can assist us in gaining access to the room if required.

If the tenant does happen to lose their key or lock themselves out, then all they have to do is call us and we can give them the key code number. This saves time travelling to and from the property and negates the need for any call-outs.

It works really, really well and is very cost-effective. There are some police-approved lock boxes on the market. Always check with your insurance provider to make sure they are comfortable with you having lock boxes on the property.

But we nevertheless get some objections when suggesting this method ...



Q) But lock boxes can be broken into, and then the offenders can get a key and open the door.

A) Of course they could. However it would be an awful lot easier for the offender to go around to the back of the house and literally smash the back door in!

We do of course need to be sensible and pragmatic. If an offender is hell-bound on smashing the door open, they're going to do it anyway.

Now, I say this with tongue in cheek. More seriously, I think we just have to be sensible. There's an element of risk in anything we do, but this is a very good system. It's tried and tested. We've never once had a problem (touch wood). I hope we never will. It really does save an awful lot of time, and an awful lot of energy when it comes to tenants locking themselves out.



The next question is from Shaziya who asks:

Q) What is the expected time for a landlord to respond to a maintenance issue in their HMO?

A) That's a great question! The answer is: *it depends on a lot of different factors.*

Firstly, I recommend that you have a maintenance policy in place and issue this to each tenant when they move into the property.

The policy should be very clear and easy to understand. You could maybe adopt a traffic light system: **red**, **amber** and **green**.

- **Green** means it's not an emergency; the issue needs to be fixed within the next seven to ten days. This category would include things like light bulbs and problems that aren't an emergency right now.
- **Amber** means it's something that needs to be dealt with quickly but is not an emergency; it needs to be fixed within perhaps two to three days. This would be things like blocked shower traps that are draining slowly, loose door handles, and similar.
- **Red** means an emergency; the issue needs fixing straight away, probably within a few hours. This includes all the things that need immediate attention, such as a broken boiler which would prevent hot water, a blocked toilet which would prevent them using it, a leaking water pipe, etc.

As you will also be required to log all your maintenance records, this system will help you if you ever have to provide your council with an audit trail.



A question from Moses who asks about cleaning in HMOs:

Q) What can we expect to pay for a cleaner?

A) I would always suggest having a cleaner in your HMO property, either weekly or fortnightly. I believe fortnightly is satisfactory.

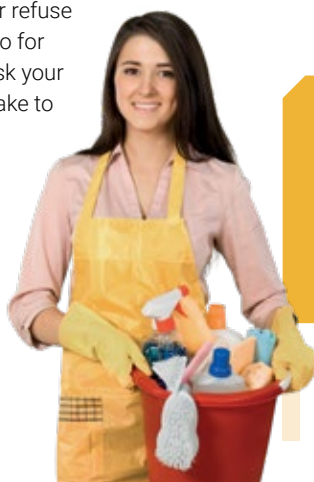
Tenants may from time to time complain about other housemates in the property who they feel are not contributing towards the upkeep of the house, or who have left their dishes in the sink, etc. With this in mind, we ask our cleaners to wash up as well. Then we know that every two weeks, the property is back to being how it should be.

A couple of tips here for you ...

We always ask our cleaners to manage the bins and to check that the recycling is being conducted properly. We also make sure that the cleaners provide bin bags. This is really important! If you don't provide bin bags or refuse sacks, your tenants may still continue to fill the bins. So for the sake of a few pounds, I always suggest that you ask your cleaner to provide refuse sacks, which they can then take to the property once a fortnight.

How much you pay your cleaner will really depend on you. There are no rights and wrongs, it's whatever you agree together!

Bear in mind though that your cleaners can also be your eyes and your ears on the ground. Ask them to report any maintenance issues that they come across to you directly.



Our next question about shared spaces comes from Rod:

Q) In terms of somewhere to eat and somewhere to sit down and relax, are shared spaces required in HMOs?

A) I think shared or communal areas are very important in HMOs. We are trying to create a comfortable home and a nice community atmosphere for all our tenants, and in order to do that it's important that we provide them with a shared space or a community space in the property.

Please check the local amenity standards, together with the size requirements, for HMO properties in your area.

Properties that provide communal areas are far more attractive to tenants, which means you're going to be able to fill your rooms quicker and your tenants may potentially stay longer.

If you choose not to have a communal space, then it is likely that your bedrooms will need to be considerably larger in size.



That's it for this month. Please drop by our HMO and Property Community Group on Facebook to ask us your questions! It may even feature in next month's edition of YPN.

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 holiday lets. He is also an ex-police officer who 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 NUMBERS DON'T LIE

By **Arsh Ellahi**

Hi Arsh

I am looking at a property at the moment, but I can't seem to make the numbers stack. I am not sure whether I am being too pessimistic.

How do you deal with this?

MR G – WOLVERHAMPTON

Thanks for getting in touch Mr G, and it's great to hear from a fellow Midlands property professional and YPN subscriber.

As far as I am concerned, this is a very straightforward question to answer. The answer is: **THE NUMBERS DO NOT LIE**. Let me elaborate on this by giving you a few different scenarios.

I would like to start with saying: I get it. Sometimes you really want the property to work and therefore you say to yourself it will work if this figure is taken out or add a little more here. The fact is, you are trying to convince yourself that it will work.

THE GOLDEN RULE

Calculators and spreadsheets are your friends. Do not try to massage the figures to make a deal work.

When I look at a property, I look at the worst-case scenario and work off those figures. Whether this is for a development, a potential HMO, a serviced accommodation unit or a simple buy-to-let.



My first aim is to look at the capital investment required and the break-even point. If I find that my capital would work better on other projects, then clearly the figures will demonstrate that.

I will try and outline how I use spreadsheets daily to see how the numbers work on each type of property.

HMOs

Whether you like them or loathe them, the HMO market is still extremely strong.

When I look at a property and consider converting into an HMO, the first thing I look at is:

- **How much is the property to purchase?**
- **Approximate cost of conversion**
- **What is the minimum the property would generate (worst-case scenario)?**
- **What is the maximum the property would generate (best-case scenario)?**
- **Demand. How many rooms are currently being offered within the location?**

- **Competition.** The standard and how much they charge for a tenant to move in
- **The cash flow on a worse-case and best-case scenario**
- **The ROI on both scenarios**
- **Break-even points on both scenarios**

I also look at how much each room would cost me on a unit-by-unit basis.

This includes:

- | | |
|---------------------------|--------------------|
| • Purchase price | ie £150,000 |
| • Buying costs | ie £10,000 |
| • Conversion costs | ie £50,000 |

Using the figures above, based on a five-bed HMO, the total cost would be £210,000, equating to £42,000 per unit. I consider what else £42,000 could get me within the area and how this would compare.

In Wolverhampton, an ex-local authority one-bedroom flat could start from £50,000. Therefore, I would question whether spending £42,000 on a room is a better investment than a one-bedroom flat. There are many pros and cons for each strategy, the main con being that it's rare that a whole block of five+ one-bedroom flats is for sale at £250,000.

If you get the figures wrong and ignore the findings, you may find yourself at a break-even, or worse, at best investment. More importantly, your funds may be tied up in the property, which could bring your growth strategy to a halt.



DEVELOPMENTS

Believe it or not, the principals are the same:

DUE DILIGENCE, DUE DILIGENCE, DUE DILIGENCE.

However, instead of researching room rents in a location, you may now start looking at sales values and demand.

The key to any successful development lies within a few key areas which include:

- **Buying the property/land well**
- **Maximising the space/site with the number of units**
- **Getting the right build team who will deliver on budget and on time**
- **Understanding the costs of holding/building/finance costs**

Again I see lots of investors who use the following calculation as the basis for their appraisal:



RENT-TO-RENT

I love this strategy. It is where you take control of someone else's asset and generate a cash flow without the need of large deposits, mortgages, solicitors and surveyors.

Although this can be a risk-free strategy, it is extremely important to understand the numbers. Do it right and you will create an abundance of cash, but if you decide to push and massage the numbers ... all you will have done is take on a property where you will have guaranteed the rent to a landlord for a certain period. Have you just taken on someone else's headache?

Within the property industry, I speak to investors daily about their numbers on their potential deals. When I look at the figures, I would expect to see the very basics such as:

- **GDV = £2,000,000**
- **Purchase price of building/land = £500,000**
- **Build cost = £1,000,000**
- **Profit = £500,000 = 25%**

Once you start to factor in finance costs/holding costs/contingency costs, this could very easily eat into the margin, almost to the point of becoming unviable.

On developments, I find that investors have different types of key indicators for success. These include:

- **Percentage of GDV after all costs**
- **Monetary value ie £500,000**

Personally, I like to work on the % of the GDV as this is the true indicator. I like to work on a minimum of 20% after all costs taking into consideration a buffer for delays or increased lending costs and contingencies.

If you are refurbishing, you must add some additional costs for the unknown things that might be unearthed ie additional works, wood rot, new windows etc.

- **Potential income. Best-case and worse-case scenarios, and evidence to confirm both**
- **Rent to landlord?**
- **Utilities cost – preferably a breakdown of each cost**
- **Management costs – what do they entail? Management and tenant find costs, reference costs, etc?**
- **Broadband costs included?**
- **Cleaner costs included?**
- **Maintenance contingency included?**
- **Voids contingency included?**

From the above, it will give an indication of the cash flow for:

- **PCM**
- **Per annum**
- **Cash flow over the whole period which you are considering for the property**

Many of the investors I speak to have not considered half of these costs, and then wonder why their HMO is not making money. The brutal answer is, it was never going to make money. They failed to prepare, therefore they must now prepare to fail.

TIPS FOR SUCCESS

1. Search everywhere for evidence of room rates and sales values.

Take the time before signing any contracts to do all your due diligence. I never just take the figures from Spareroom as evidence. Yes, it does provide a base to start from, but you have to remember that the rooms listed online are available and have not yet been rented. Why? Are they too expensive or is the demand simply not there?

Estate agents can also be your best friends. They are always happy to help by giving you info on what properties they have on the market and why they believe they have not sold. Use this information wisely and market your properties within the parameters they have suggested.

2. Get agents on board in the area.

To get a true indication of the market, I always advise spending an hour talking to agents in the area who manage HMOs. Get a clear idea as to what they believe a room should be let at and ask how long it usually takes to rent a room. This will allow you to build in contingencies to cover void periods and so on.

3. Be ruthless.

Do not be afraid to negotiate with the landlord. The last thing you want to do is take on his/her property and then try and break a contract six to 12 months later to the property being unfeasible.

What is your USP? What makes you different to all the other rent-to-renters out there? Why should the landlord give you their property? How do they know that you will treat their property with respect?

Calculate the risks and make an offer on the property on the basis that you know that you can deliver everything you promise.

The same goes with offering on a property to purchase. If you offer too much, you may find that you may withdraw from the transaction, which is not good news for the vendor or the agent you are dealing with.

There you have it, guys. I hope you have found this month's article interesting.

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.

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



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LANDLORDS

DON'T OBSESS ABOUT PAYING OFF ALL YOUR MORTGAGE BORROWINGS!

By specialist property accountant **Stephen Fay** FCA



The traditional residential landlord's investment model has been to use mortgages (leverage) to buy properties, and so benefit from the ability to buy more property, and make more rental profit and capital gains as a result. Mortgage interest tax relief restriction (known as 'Section 24') means that tax now plays a major role in the overall picture for landlords – but the fundamentals of using mortgages to magnify returns hasn't changed.

This article looks at where the sweet spot is for many landlords in terms of balancing leverage and financial return, and what the benefits and limitations are in moving to a fully-unencumbered position.

Recap – why do landlords have mortgages?

Back to basics. Landlords use mortgages to buy rental property to benefit from 'leverage', ie the ability to buy more property than their own cash alone allows, and so make more rental profit and capital gains than would be possible with cash alone.

Fundamentally, as the owner of a mortgaged property, all of the capital gain belongs to the owner (the lender just wants their interest but benefits from no upside capital growth). The rental profit as an ROI on the cash invested is much higher compared to what it would be if the property was purchased for all cash.

For example: property value £100,000, net yield after all expenses 4%, mortgage @ 85% LTV.

	Cash purchase	Mortgage @ 85% LTV
Property value	£100,000	£100,000
Cash invested	£100,000	£15,000
Mortgage	£0	£85,000
Net yield	£4,000	£4,000
Cash-on-cash return	4.0%	26.7%

But hasn't Section 24 changed all that?

No – that's the point of this article. Fundamentally, the concept of using mortgages as leverage to buy more property has **NOT** changed, nor has the historic reason for buying rental property. However for the purposes of this article, I'll assume that our Mr Osborne doesn't have tax concerns (ie, he invests in his personal name but isn't pushed into the higher rate of tax by Section 24).

OK, so why shouldn't I aim to pay off all my mortgages?

The point of this article is to highlight that when using mortgages to amplify the financial return of residential property investing, there is a sweet spot Loan to Value (LTV) above which returns are lower, and below which returns are not significantly higher.

In the heady days of BTL, most lenders didn't charge a higher interest rate for a higher LTV mortgage, and most lenders would lend up to 85% LTV subject to a modest 125% interest cover (eg, if the interest payable per month was £400, then the minimum rent on the property

had to be 125% of this figure, ie £500). So, if a lender is offering the same interest rate at 85% as they are at 60%, why would an investor **NOT** take the 85% LTV on offer? It would make little sense not to of course.

These days, most lenders charge more for high LTV mortgages (85%), and charge less for low LTV mortgages (60%).

This means that there is now a benefit in taking a lower LTV mortgage because the interest rate that applies to the whole of the mortgage is lower, which increases rental profits. However, because lenders don't offer lower and lower rates as the LTV drops from 60% to 50% to 40% to 30% (etc), there is a sweet spot LTV at which the interest rate bottoms out – but the rate doesn't get lower and lower as the investor puts more and more equity into the property.

An example will help to illustrate this (Feb 2019: 85% five-year fixed rate from Vida/Kensington, vs 2.3% five-year fixed rate from Virgin):

	Mortgage @ 85% LTV	Mortgage @ 60% LTV
Property value	£100,000	£100,000
Mortgage rate	5.0%	2.3%
Cash invested	£15,000	£40,000
Mortgage	£85,000	£60,000
Interest paid per month	£354	£115
ROI of extra equity invested	-	11.5%





OK. So, it's OK to carry mortgages after all, but what if I have spare cash and **CAN** pay off my mortgages?

The point of this article is to point out that on a purely mathematical basis, there is a sweet spot LTV up to which there is a lot of sense in repaying mortgages, but below which there really isn't. Based on the previous example, repaying further mortgage debt below 60% LTV would only save whatever the interest rate charged is (2.3%) – if lenders don't offer a better rate than the 60% LTV rate.

But, property investing and financial management generally also has an emotional element to it, and there is a certain sense of satisfaction and comfort from having unencumbered property. No more concerns about interest rates or mortgage criteria, and no more tiresome mortgage applications – sounds great!

So, it's not that repaying the remaining 60% LTV mortgage is a bad investment – just that the return on investment of repaying the remainder of the mortgage is much lower than on repaying a mortgage down from (say) 85% to 60%.

However, there is an argument that having a conservatively-mortgaged residential property portfolio, which with decent rental yields produces a decent income, is a very nice asset to have. But that there are other investment types that perhaps should also be considered:

1. **ISA investments** – up to £20,000 per tax year allowed – tax-free (and hassle-free) income, wide range of funds (from high to low risk), plus instant access to the funds in an emergency (unlike a pension for those under age 55).
2. **Pension investments** – up to £40,000 per tax year allowed – with tax relief on contributions (useful for landlords looking to increase their 20% basic rate income tax band to combat Section 24), wide range of funds (from high to low risk), and pensions can be passed (usually) to beneficiaries without inheritance tax, ie like a tax-free trust fund
3. **Modest emergency cash fund** – say six months' expenses. This is purely about financial protection, not return on investment – to protect against unforeseen expense increases or income decrease.
4. **Repaying credit card and loan finance that isn't cheap.** Again, there is potentially a lot of bang for your buck in repaying consumer debt.

A final suggestion – consider an offset mortgage account

A modern property financial product that every investor should consider is an offset mortgage account. This enables cash savings to be offset against a mortgage – so, effectively paying the mortgage off – but while retaining the liquidity of the funds in case of emergency.

Up to £85,000 of cash savings are insured via the Financial Services Compensation Scheme. So, having an £85,000 mortgage with £85,000 of savings offset gives the best of both worlds – a mortgage paid off (so no interest charged at all) but with full access to a substantial chunk of cash at the click of a mouse. For investors with an offset mortgage, there would be no need for any savings in a current account earning a paltry return – so all the investor's money is working hard, but while still retaining liquidity in the event of a cash crisis.

In summary ...

This article tries to highlight that when using mortgages to amplify the financial return of residential property investing, there is a sweet spot Loan To Value (LTV) above which returns are lower, and below which returns are not significantly higher.

Some investors have a rather one-dimensional view of how to deal with mortgages – if mortgages can't be paid off in full then there is no point in trying to repay any of them! However with lenders offering some fantastic rates for lower-LTV mortgages, there is an opportunity for investors to juggle their equity around their portfolio to get to an optimum position whereby their return on investment is optimised, but without the obvious huge capital required to get to an unencumbered position.

Visit our website at
www.fyldetaxaccountants.co.uk
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free reports.



LOWER VALUE LENDING

We have seen a few changes in the market this month, with one key change for investors who are purchasing lower value buy-to-let properties for under £50,000.

BM Solutions have now increased their minimum valuation/purchase price from £40,000 to £50,000, which is in line with other lenders. This does mean that properties below £50,000 are very difficult to finance on a BTL as all other specialist BTL lenders now have a minimum of £50,000. There are a couple of mainstream banks that will sometimes still consider these properties, but lending is looked at very differently on an affordability basis.

This does mean any properties that are under this level now generally have to be purchased via cash or bridging, and you must ensure that the revaluation is in excess of £50,000 to be able to exit and refinance to a BTL mortgage.

We still have some competitive bridging options for these lower valued properties, so if you are looking to purchase a property within this range, just let me know.

RESIDENTIAL BRIDGING

Indicative residential bridging terms at this level would be:

Option 1

- Minimum loan £30,000
- 75% of the purchase price
- 0.49% per month for six months reverting to 1.24% per month for the next six months
- 2% arrangement fee deducted from the loan
- 2% exit fee on redemption
- £100 title indemnity

The lender will also instruct your solicitors to act for them (dual representation) as long as they have two or more partners.

Option 2

For loans less than £30,000 ...

- 75% of the purchase price
- 1.25% per month for up to 12 months
- £995 arrangement fee deducted from the loan
- One month's interest on exit
- £100 title indemnity

The lender will also instruct your solicitors to act for them (dual representation) as long as they have two or more partners.

If you would like any individual quotes, please give me a call or send me an email.



SELF-EMPLOYED, COMPANY DIRECTORS AND EXISTING LANDLORDS

As you have now all submitted your 2017/2018 tax returns, I would recommend that if you are looking for finance this year, you keep a folder with a copy of the following documents readily available:

- **Full tax return**
- **Tax calculation summary**
- **Tax calculation overview**

Make sure that you have these available whatever your other income position is, as more of the lenders are asking for all these documents, even if you are in another PAYE role.

HMO CONVERSIONS

Another area that we discuss regularly, especially since the new HMO regulations have come into play, is the conversion of a house into an HMO. To that end, I want to confirm the current lenders' stance on this.

If you are converting a house from a standard house into a property that will become subject to licensing, the HMO mortgage lenders won't lend on day one. You will need to look at bridging to finance the conversion and obtaining the licence for the mortgage finance.

However, if you want to do a small four-bed HMO that isn't subject to licensing and you have found a house that has, for example, three bedrooms and two reception rooms, then we can look at an HMO mortgage as the property can be used without licensing and structural alterations.

If you have any individual questions on HMO finance, please get in touch.

LIMITED EDITION PRODUCTS

In these early stages of 2019, there are a few limited edition products available within the market.

Aldermore Bank have some interesting products available for a limited time for the refinancing of single let properties.

These products are available for investors who are looking to refinance multiple properties at one time, or who have another application already progressing with Aldermore. They are also available to all existing Aldermore Mortgage customers.

They have an option available for personal borrowers or for limited companies.

PERSONAL BORROWERS FOR SINGLE LET RESIDENTIAL PROPERTIES

Remortgage only

- 3.48% five-year fixed rate – up to 75% of the valuation
- 3.78% five-year fixed rate – up to 80% of the valuation
- No arrangement fees
- No valuation fees
- No legal fees
- Rental stress test calculated at 145% @ 4.23%

LIMITED COMPANY BORROWING FOR SINGLE LET RESIDENTIAL PROPERTIES

Remortgage only

- 3.78% five-year fixed rate – up to 75% of the valuation/purchase price
- 4.23% five-year fixed rate – up to 80% of the valuation/purchase price
- No arrangement fees
- No valuation fees
- Rental stress test calculated at 125% @ 4.33% up to 75%, or 125% @ 4.73% up to 80%

On a limited company loan, you are also liable to pay the full legal fees for the remortgage.

These are interesting products if you are looking for the security of a long term fixed rate with no arrangement fees or set up fees.

If you would like any individual illustrations, please let me know.

PORTFOLIO REVIEWS, LONG TERM FIXED RATES AND PRODUCT TRANSFERS

We are still seeing a large number of investors choosing to take advantage of a product transfer with their existing lender when the rate ends to avoid the process and costs of a refinance. This is understandable, especially if you are classed as a portfolio landlord, but I would always take advice and have a look at all options available to you.

I am still offering free portfolio reviews where you have rates ending, and I can review options for refinancing and also options with your existing lenders.

I am also able to assist with product transfers with your existing lender if you would like some advice around the rates they are offering. If you would prefer to refinance to another lender, this is an overview of some of the short and long term fixed rates available for borrowers financing a BTL in personal names. These would, however, be subject to the lenders' individual client and product criteria.

LENDER	LOAN-TO-VALUE	PRODUCT	FEES
Virgin Money	75%	2.45% 5-year fixed	£1,995 arrangement fee added. Free valuation and free legal remortgage service provided
Virgin Money	75%	2.62% 5-year fixed	£995 arrangement fee added. Free valuation and free legal remortgage service provided
BM Solutions	75%	2.86% 5-year fixed	No arrangement fee added. Free valuation and free legal remortgage service provided
The Mortgage Works	65%	2.59% 5-year fixed	£995 arrangement fee added. Free valuation and free legal remortgage
Virgin Money	75%	1.98% 2-year fixed	£995 arrangement fee added. Free valuation and free legal remortgage service provided
The Mortgage Works	75%	2.59% 2-year fixed	No arrangement fee
Accord Mortgages	75%	1.58% 2-year fixed	£1,995 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 so I recommend either speaking to myself or to your existing broker to discuss tailored options that are available to you individually.

LIMITED COMPANY MORTGAGE OVERVIEW

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%	2.79% 2-year fixed	£995 arrangement fee
Precise Mortgages	75%	3.49% 5-year fixed	1.5% arrangement fee
The Mortgage Works	75%	3.49% 2-year fixed	No 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.

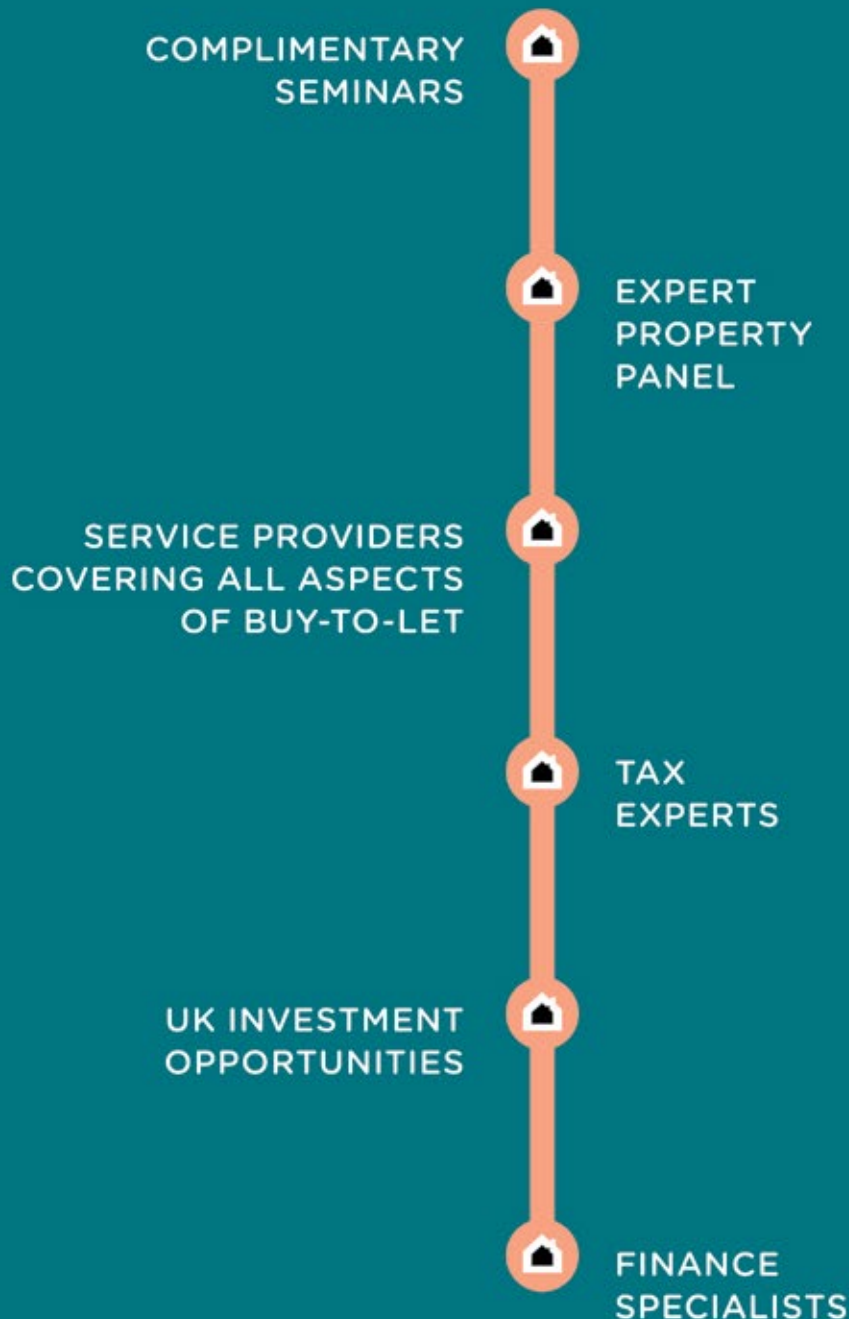
As always, I am available to chat if you require any advice on a BTL or residential mortgage, or commercial, bridging or development finance. I work with investors throughout the country with property investment opportunities, from those buying their very first BTL property to experienced landlords,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

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LEGISLATION UPDATE

LAST MINUTE RUSH FOR A SPRING START DATE ...

THIS MONTH'S UPDATES ...

- **Proposed redress for landlords**
- **Rent control proposals**
- **Will Section 21 evictions be scrapped?**

By **Mary Latham**

HOUSING COMPLAINTS REDRESS

The regulation of letting agents, through new legislation, is well on its way. Now, the government has turned back to landlords. In my opinion, this was inevitable.

I have suggested in past articles that once letting agents were brought into line, the government would want landlords, especially the smaller or accidental ones, to use agents as default. It is these landlords who often have no idea that there is legislation surrounding property rentals, never mind what that legislation is.

I didn't expect it to start quite so soon, though, and before the regulation of letting agents has even begun, but this is the first move in steering landlords towards letting and managing agents.

The announcement came on 24th January when Communities Secretary, James Brokenshaw, sent out a press release:

"Overhaul of broken housing complaints system

Creating a housing market that works for everyone isn't just about building homes – it's about ensuring people can get the help they need when something goes wrong.

But all too often the process can be confusing and overly bureaucratic, leaving many homeowners and tenants feeling like there is nowhere to go in the event of problems with their home.

The proposals I have announced today will help ensure all residents are able to access help when they need it, so disputes can be resolved faster, and people can get compensation where it's owed."

The main proposal is a new Housing Complaints Resolution Service. Private landlords will be legally required to become members of a redress scheme – **with a fine of up to £5,000** if they fail to do so.

The idea is for tenants to be able to use a complaint and arbitration service at no cost to themselves, in the same way as letting agents' schemes work. At the time of writing (28th January), it is not clear whether this applies to all landlords or only those who do not use agents to let and manage their properties.

There may seem little point in landlords having to join if they already use an agent – except that this puts the latter in the hands of the former to a

certain extent, as the landlord is the agent's customer. In such a situation, if the landlord won't agree to pay for a repair or replacement, the agent's only option is to withdraw his services and let the landlord find another agent. This is a luxury that many agents cannot afford, and with the ban on letting fees they will be even less likely to do so.

If the tenant only has the option of using the services of the property redress scheme to which the agent belongs, I am fairly sure that a complaint caused by the landlord would go nowhere. Thus, landlords also having to belong to a property redress scheme would give the tenant a second option.

It is probable that agents will convince their landlords to join the same scheme as themselves because a complaint may then be less complicated. The redress schemes may also offer a commission to agents (who are looking for every penny of extra income they can find to replace tenant fees). We will see.

This new legislation will also encompass PBSA providers and operators of park home sites. There has been speculation that local authorities and RSLs will be excluded but in his Ministerial Forward James Brokenshaw says:

"I want to see a single 'Code of Practice' on complaint handling across all tenures. Providers of every type of housing should continue to work with us now to put consumers first and deliver the great homes and stronger communities the people of this country need and deserve."

I would expect a separate system of redress for tenants outside the private rented sector. The legislation surrounding those tenancies is different so it may well be that they are not included at this stage.



I've got no problem with this redress proposal. As a landlord, I have been a member of **Property Redress Scheme** since the legislation for letting agents began. It's a selling point, along with my NLA membership and MLAS Accreditation; it sets me apart from many other landlords. I pay £110 plus VAT and my tenants know that I am enabling them to keep me in line.

These days, most of my properties are let to people who are used to a good living standard and lifestyle. They are paying a good proportion of their salaries in rent and quite rightly expect the property to meet their expectations. Often, the tenant is a company renting the property for a director or senior manager. At this level of the market, credibility is important. Membership of professional bodies goes a long way to engendering credibility.

Many landlords disagree with me and think of it as another burden/expense. I have read several negative comments in online discussions, leading me to believe that some landlords are unaware of the amount of bad practice going on in our business. During the 25 years I have engaged with local authorities, I have become painfully aware of how bad a bad property can be. That has given me a different perspective.

This is an additional power given to tenants to protect them from the negative impacts of poor quality homes and bad management, which will raise the bar and go some way towards landlords being seen as property professionals.

These new measures form part of the government response to the consultation **Strengthening consumer redress in the housing market**, available here: <http://bit.ly/YPN129MLRedress>

It is not clear whether the redress schemes serving letting agents will form part of the landlords' scheme, but it would make sense to use their experience and expertise to help the new scheme to run smoothly and reduce the time wasted by tenants making spurious complaints.

At the moment, there are two government appointed redress schemes: **Property Redress Scheme** and **The Property Ombudsman**. All letting agents are legally required to be a member of one of them, and to notify both landlord and tenant clients which one.

I chose Property Redress Scheme because they offered an option to join at a low price and pay for arbitration of complaints as they arise. As I work hard to ensure that my tenants have no cause for complaint, the low cost membership option met my needs.

These are the current pricing structures:

PROPERTY REDRESS SCHEME

- **£110 (+ VAT) per application (head office/person)**
- **£110 (+ VAT) per extra branch, if applicable**
- **Complaint fees: £100 (plus vat)**

As a self-managing private landlord, there is only me: I work from home, therefore the annual fee is £110 (+ VAT).

THE PROPERTY OMBUDSMAN

- **Full Membership: £195 (+ VAT) per annum, per office.**

Please note: All branches trading under the same company or brand name are required to join. Head offices and administrative offices that do not deal directly with consumers need to register but will not be charged.

- **One-off joining fee: £50 (+ VAT)**

This would have cost me almost double each year and far more than double in the first year, but there would be no extra fee to cover the cost of complaints.

There is no start date nor any details available yet. (This may have been published by the time you are reading this.) I will cover this subject in full when these details are published, hopefully in the next issue.

"The Housing Complaints Resolution Service will be developed with a new Redress Reform Working Group made up of representatives from across the sector, working with industry and consumers."

Both the NLA and RLA will be part of that group. As members, we will have the opportunity to express our feelings, although the organisations will have a good idea of what we members will think of the proposals and the details that will make a difference to us.

There is, however, good news for investors buying new build properties to let:

"To protect the interests of home-owners who buy new build homes, the government has also reiterated its commitment to establishing a New Homes Ombudsman which will champion home buyers, protect their interests and hold developers to account."



RENT CONTROL AND S21

Far more worrying than a bill of just over £100 a year is the move to control rents and scrap Section 21 evictions!

"The mayor of London, Sadiq Khan, is developing rent control proposals as part of his 2020 re-election bid in the hope that he will gain government support to give his department the power to combat increasing rents in the capital." – Landlordtoday.co.uk

He said:

"I have long been frustrated by my lack of powers to help private renters."

He is also proposing to scrap Section 21.

Gulp!

In the list of how to destroy the private rented sector in this country, these two proposals rank just under stopping buy-to-let lending and introducing right-to-buy for private tenants.

History shows that when private landlords are forced to rent at levels where it's impossible to make a profit, their properties fall into disrepair and tenants suffer. Perhaps the thinking is that the new **Homes Fitness for Habitation Act 2018** will force blood from a stone as tenants take action against landlords for disrepair?

If Section 21 is stopped, we would be prevented from removing tenants from our properties unless we had grounds under Section 8. That means that our only exit option would be to sell with a sitting tenant.

A property with a sitting tenant with controlled rent is worth considerably less than an empty property. Don't confuse this with a property being sold with tenants in place under current legislation. This can actually enhance the value because Section 21 can always be used to remove tenants if the new landlord is not happy with them.

There are still some properties around with tenants who were in place before January 1989, when Sections 8 and 21 of the Housing Act 1988 introduced two methods of evicting tenants that had not existed in the past. It's easy to compare the value of properties with sitting tenants with other similar properties in the area.

Short term rent control would prompt all landlords to increase rents to the maximum allowed every year. Longer term, as rents fall in real terms and costs increase, it would be a disaster for the private landlords who are constantly spending on their properties in order to maintain a good standard. It would also be a disaster for the many higher-risk tenants who are currently renting from landlords who will take them at a price.

The loss of Section 21 would be a disaster for landlords who want to sell up as well as the ones who need to remove a bad tenant who does not fit one of the grounds for Section 8.

What is really annoying is that Khan is looking solely at the London market. This is a micro market. We do not see these high rent levels/increases anywhere else in the UK, yet there is no doubt in my mind this will spread around the country like dandelions in the run-up to the next general election in 2022.

Chris Norris, Director of Policy and Practice at the National Landlords Association, said:

"In the year to July 2018 private rents in London fell 0.3%, compared to an average increase in the rest of England of 1.6%. When adjusted for inflation, as published by the Mayor's team, this equates to a real term fall of around 2.25%."

I don't expect the ambitious Mayor will be fazed by the facts.

As our costs rise with the changes in tax, regulation and legislation I am hearing landlords say, "I will just increase my rents and tenants will pay ..."

These landlords are obviously unaware of the glass ceiling that exists in every area of the country and above which rents will not rise. We started to see rents hitting the glass ceiling in many parts of the country last year, and this looks set to continue through 2019.

The oversupply of many types of properties, particularly HMOs, in several areas will also pull rent levels down as landlords try to avoid the voids. I am seeing this in the West Midlands but many are still in denial.

If I hear "if the property is of a good standard it will always rent" one more time, I will not be responsible for my behaviour!

People can only afford so much and even a generation of people who seem unconcerned by debts will only go so far. There is a point at which rents are too high for the wages paid in the area – at that point **THEY WILL NOT BE ABLE TO PAY REGARDLESS OF HOW BEAUTIFUL YOUR PROPERTY IS.**

Landlords who are not realistic about the future of renting in this country will not survive the increase in costs being brought about by new legislation. Ignoring the facts and figures and continuing to buy to let in areas where there is an oversupply will simply mean ending up where many landlords did in the 2007-8 financial crisis.

We need to understand the "housing crisis/shortage" headlines. These mainly relate to family homes (outside of London) and the modest end of the market – is that what you are intending to buy to let?

The Office of National Statistics published this index of private rents in January:

<http://bit.ly/YPN129-ML-ONSIndex>

MAIN POINTS

- Private rental prices paid by tenants in the UK rose by 1.0% in the 12 months to December 2018, up from 0.9% in November 2018.
- In England, private rental prices grew by 1.1%, Wales experienced growth of 0.8%, while in Scotland private rental prices increased by 0.6% in the 12 months to December 2018.
- London private rental prices rose by **0.2% in the 12 months to December 2018, the first increase over the year since March 2018.**
- The Consumer Prices Index (CPI) 12-month rate was 2.1% in December 2018, down from 2.3% in November 2018.

As Chris Norris said, there simply isn't a case for rent controls – let's hope that the facts win the day.



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



HOW DOES PROPTech MAKE LANDLORDS' LIVES EASIER?

upad

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

The buy-to-let industry is a lot tougher now than it was just a few years ago. Recent tax changes have made it harder to sustain a steady rental income, and the current economic climate in the UK as a whole, not just in relation to buy-to-let, is perhaps best described as uncertain. There are plenty of things happening right now, not least the uncertainties surrounding Brexit, while 2019 is set to see another raft of legislation aimed at making buy-to-let even more unattractive.

However, single unit lets still offer a good opportunity to investors who are willing to play the long game.

There are plenty of strategies that will help you take the uncertainty out of your buy-to-let business, maintain and grow your rental income, and capitalise on the opportunities available.

So how can BTL landlords protect their investment?

One solution is to take full advantage of the benefits from proptech providers to run your rental business.

Landlords have a lot to deal with. From vetting prospective new tenants, to property maintenance, and everything in between – even managing a portfolio of just one property can take quite a bit of time and cost a lot of money. Luckily, landlords have lots of tools available to them these days that can help to reduce costs and save time.

Proptech, or property technology, is the driving force behind these tools.

PROPTech SIMPLIFIES THE TENANT VETTING PROCESS

Proptech makes it easier to vet tenants by taking the process online. Tenants are able to view your property online, contact you and even send their applications with just a few clicks of a button.

This online application process is also beneficial for landlords. Aside from responding to tenant enquiries in real-time, you are able to conduct affordability checks and discover whether these potential tenants are likely to take good care of your property. Online vetting systems can help to speed up credit checks, previous rental checks, landlord references and employment checks.

PROPTech AIDS SMOOTHER RENTAL COLLECTION

Rent collection can be one of the most stressful aspects of running a property business. Proptech makes this easier by automating the whole process. You can set up a direct debit for rent collection, which means rent payments are taken automatically from the tenant's bank account and you are informed when the payments are made. You don't have to keep checking your accounts as you'll be alerted to any potential delays or problems very quickly.

Having a direct debit can be preferable to a standing order mandate – which cancels as soon as one payment isn't made – or relying on the tenants to make manual payments on time.

PROPTech HELPS YOU TO SORT OUT LEGAL COMPLIANCE ISSUES

To guarantee your property's safety, your tenants' happiness, and to cover your own back as the landlord, you are obligated to deal with a number of legal documents to ensure compliance.

Technology like Echosign allows your tenants to sign a tenancy agreement digitally. Through using proptech you can store documents in the Cloud, thus ensuring that you always have access to the things you need to provide to your tenants, such as gas safety inspection records and information related to deposit protection.

PROPTech SAVES LANDLORDS TIME AND MONEY

Proptech can help landlords save time and money. Technology automates many mundane and time-consuming tasks.

Digital solutions, like the ones mentioned above, make it possible for landlords to be able to perform tasks themselves. Proptech makes it easy for landlords to self-manage their portfolio and each specific tenancy.

Being a landlord is never easy, but by using technology, some of the processes involved can be streamlined, smoothed, and made a lot easier.

James



TENANCY DEPOSITS CAPPED AT 5 WEEKS

By David Lawrenson

The government has done a last-minute U-turn on the decision to cap tenancy deposits at six weeks. They will now be reduced to five weeks instead, when the long-delayed Tenant Fees Bill becomes law.

Most landlords charge five to six weeks' rent as a deposit.

Curtailing deposits means landlords will have even less to fall back on if the tenant fails to pay rent. It will become more essential to do thorough reference and affordability checks when tenants apply to let property from a landlord – to avoid getting a non-paying tenant. This may make it even harder for people on benefits and folks with pets to let a property. (Landlords letting to people with dogs and/or cats as pets usually charge a higher deposit.)

David Smith from the RLA noted that:

"In May, the government was saying that a cap of deposits at six weeks offered a 'balance between affordability benefits and financial risk to landlords, giving them the confidence to let to higher risk tenants.' They said then that a cap of five weeks did not offer that protection. So, what exactly, has changed in the interim?"

Richard Lambert of the NLA agreed. He said:

"Does the government really not understand that if landlords don't think the deposit covers the risk of damage and non-payment of rent, they will become even more wary of who they let to, thus making it harder for people on benefits, with poor credit ratings and/or with pets to secure a place to live?"

Five weeks for a tenancy deposit looks very small beer when compared to the potential for lost rent in situations where the tenant has stopped paying rent.

On Section 8 possession claims, according to the NLA, the average period between claim and possession is 18 weeks. The Ministry of Justice, in response to a question asked by Kevin Hollinrake MP, put the figure even higher, at 22 weeks. But let's go with the lower figure, shall we? These delays nearly always equate to the same



time in lost rent, ie at least 18 weeks' lost rent, because most tenants being repossessed will not be paying rent. As landlords cannot start a claim for non-payment of rent until the tenant is already two months in arrears, that means roughly 26 weeks of unpaid rent.

Add to this the cost of each claim, which comes in at a shade over £350 in court fees alone (NLA figures), never mind the time involved in filling in claim forms, plus the cost of paying a solicitor for handling the work. It is for this reason that even when there has been a **REAL** breach of the tenancy, such as failure to pay rent for two months, most landlords opt instead for the so-called "no fault" Section 21 route to regain possession. In fact, the increased and widespread use of Section 21 is evidence that the normal court processes in Section 8 claims are simply not working, because the court processes are too slow, with long delays for hearings.

But Section 21 is no panacea either. Though faster than Section 8, as it does not involve a physical court hearing, it is certainly not all that quick. And, of course, it cannot be used until a fixed term period in a tenancy has ended and two months' notice been given. It also requires a landlord to serve a separate court action should he want to try to recover any damages or rent owing. (With Section 8, they can be part of the claim.)

So Section 21 is really just a patch-up for failure of the legal processes around Section 8 breaches of tenancies. (We also know local councils tell tenants to wait until the bailiffs arrive – making the problem even worse.)

Lost rents on Section 21 processes are slightly less than on Section 8, at around four to five months. So a month or so better than Section 8 and a slightly more certain outcome, providing all paperwork is correct, but still a huge loss of rent and costly to the landlord.

Our friends at Generation Rent and Shelter naturally love to highlight the increasing use of Section 21 as proof that landlords are supposedly *kicking tenants out for no fault* – a complete misreading of why it's used, as I have just shown.

On top of the four to five months of potential lost rent there are legal fees, plus likely property damage costs when a tenant no longer wants to pay you. And you have little chance of recovering money owed if the tenant does not have any!

Yet, despite this, the government thinks that setting a maximum deposit level of five weeks is fair – and presumably a "reasonable amount" for the huge risks we run and costs resulting from getting a non-paying tenant. It seems the government must live in a separate universe, driven by a desire to get votes from GenRent. But their actions will only serve to drive more landlords out of this business.

If you know what you are doing, you won't get a tenant from hell who does not pay the rent. My books for landlords – see below – include processes for checking tenants at the outset (or making sure your letting agent is doing this for you). If you follow these, you'll be less likely to get a tenant you need to get rid of. I haven't had a non-paying tenant for 20 years, so I know they work.



David Lawrenson is the founder of [LettingFocus.com](https://www.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 three books: *"Successful Property Letting - How to Make Money in Buy to Let"*, *"Buy to Let Landlords Guide to Finding Great Tenants"* and *"Tenants Guide to Successful Renting"*.

WHAT TO DO WITH ALL THOSE KEYS?!

By **Jacquie Edwards**

I am super excited that the lead feature this month is all about systemising as, of course, I'm a total systems geek and have been sharing my systems and processes tips and tricks since day one. So this month I wanted to look at a topic that will cover all investors, no matter what your strategy is – your system for managing keys.

Whether you are an HMO landlord with all the individual bedroom keys that entails, or a serviced accommodation operator who needs to be able to share keys quickly and easily with guests and staff, or a developer who needs to keep their properties safe and secure at all stages while still providing access to multiple contractors or just a standard buy-to-let landlord building up a portfolio of single family dwellings ... we all have a lot of keys. So here are a couple quick ways keep those keys organised.

USING KEY SAFES

This is a low-cost option for keeping track of and sharing keys – and is helpful for all property strategies (I even have one on my own home!). Key safes are the small boxes attached to the front of houses that hold a spare key in them.

We pop a front door key into the key safe at all our properties to allow contractors and engineers to access the building and to allow tenants / guests to check-in. Also, if a tenant loses their key you can give them the code and save a trip out to the house to let them back in.

If you've got an HMO you could have a safe for each bedroom tucked away somewhere

so there is always a spare key in case one of your tenants loses theirs (this could save you a trip in the middle of the night to let them in).

USING A MASTER KEY SYSTEM

This is a bit more high tech and your locksmith will help you design the system that is right for you.

I especially love a master key system for HMOs because it keeps it super simple from the top level. Basically, I have one key (called the grand master) that opens every lock in all my properties. This makes it really easy for me to always have that key with me so I can pop into any property anytime.

It also means that my handyman can have a copy of that key and in an emergency we don't have to worry about getting him a key. He always has one and can go and take care of that massive leak that is one step away from flooding the house (totally saved us over the Christmas break this year).

If you have your properties managed by agents you can give them that one grand master key so you know they won't make the mistake of bringing the wrong key and not being able to show your house to that perfect tenant. The key is much more secure as well as it cannot be duplicated by anyone else – so you know when you give a tenant or a contractor a key that they aren't giving copies of it to anyone else.

KEYLESS ENTRY

This is the high-tech route and I think the way of the future, especially for serviced accommodation and it also works great in HMOs, single lets and developments.

Again, it's best to work with your locksmith to make sure you've got the right option for your project as there are a few different kinds, from pin pad (where you put a pin number on each individual lock) to key fobs, to key cards (like a hotel) or even locks that are wirelessly operated by a mobile app.

If you have tenants who constantly lose their keys then having a pin number may be a good option to keep the "Help I'm locked out" calls to a minimum. These systems generally come with a higher price tag so make sure you are still getting a return on your investment. Having the highest end locks available can be really fun – but if it doesn't significantly increase what rent you can get from your tenant or significantly lessen the amount of time you spend on management, then it might not be worth it.

I hope that's helped to give you some ideas of what to think about for your next project or how to remove any headaches you might already have when managing all your keys and properties.

See you next month!

Jacquie



Property Go-To Girl

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



BUY-TO-LET DOES IT STILL WORK?

By **Graham Kinnear**

As I write this, we have just received confirmation that the Tenant Fees Ban is due to become law on 1st June. This will leave landlords who have their properties managed by an agent open to the potential of increased fees as letting agencies try to balance their books. In the alternative, self-managing landlords face the task of preparing for a tenancy without the ability to be remunerated for the considerable work involved.

In addition to this a further announcement is due, which is likely to require private landlords to be registered with a redress scheme. The government is setting up a Redress Reform Working Group to look at the practicalities of implementation. It is considered that this is just the latest in an onslaught of laws and regulations aimed at tightening up the private rental sector. Failure to comply is likely to result in a fine of up to £5,000.

These proposals are over and above the various changes implemented recently, such as the introduction of rent repayment orders and the new ability of local authorities to impose civil penalties of up to £30,000 against landlords. Indeed, since April 2018, local councils are also able to seek banning orders against landlords and agents who commit certain offences.

The landscape for the buy-to-let landlord has certainly changed significantly over the past few years, and it is my belief that further changes are going to be revealed in the near future. There is already talk of rent caps being introduced.

For those of you considering getting started in buy-to-let or indeed are already heavily immersed in the business, now is the time to review your working practices and understand how to succeed within this new regime.

There will doubtless be more policing of the current and new regulations. Therefore it is more important than ever that you have the required knowledge to operate in this sector. Falling foul of the rules can have significant consequences.



By way of example, the recent case of Caridon Property Ltd highlighted the need for meticulous attention to detail for those involved in the private rented sector. In this case, a tenant successfully defended a Section 21 notice on the basis that the landlord could not demonstrate that the tenant was provided with the Gas Safety Certificate at the outset of the tenancy. It was argued that Section 21a of the 1988 Housing Act provides that an S21 notice *"may not be given in relation to an assured shorthold tenancy ... at a time when the landlord is in breach of a prescribed requirement."*

I have seen similar cases involving the failure to serve the tenant with a copy of the EPC too.

These are sobering lessons for landlords and agents alike. During a period where it feels like us property folk have a target on our backs, I suggest attention to detail, absolute compliance with legislation and

that you ensure your knowledge is up to date. Given there are over 150 pieces of legislation which impact the BTL sector, there must be something that you could brush up your knowledge on!

For those who have neither the time nor perhaps the inclination to get to grips with the new rules of the game, it would be prudent to consider having your property assets professionally managed. Indeed, time may be of the essence as you are likely to be able to negotiate a better deal with agents before the end of May when their charging policies will likely be entirely overhauled with the advent of the Tenant Fees Ban.

It is doubtless a more litigious environment in which we live. Consequently a failure to comply with legislation is likely to lead to a more punitive consequence. Some time dedicated to additional reading, training, participating in webinars or listening to podcasts will surely pay you a handsome dividend.

Landlords are going to have to present a far more professional business in order to succeed going forward. A closer eye on costs is required, having regard not only for increased compliance costs but also for the changes in tax rules regarding mortgage interest. That may mean scrutinising the figures a bit more closely on every acquisition or it may result in you coming up with

more creative strategies.

You may find that the changes force some out of the market or see them switching to commercial property or other assets. You may therefore be able to profit from the adage of *observing the masses and doing the opposite!*

Regardless of the current position, it is my view that BTL does still work – but only if it is done properly and professionally.

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



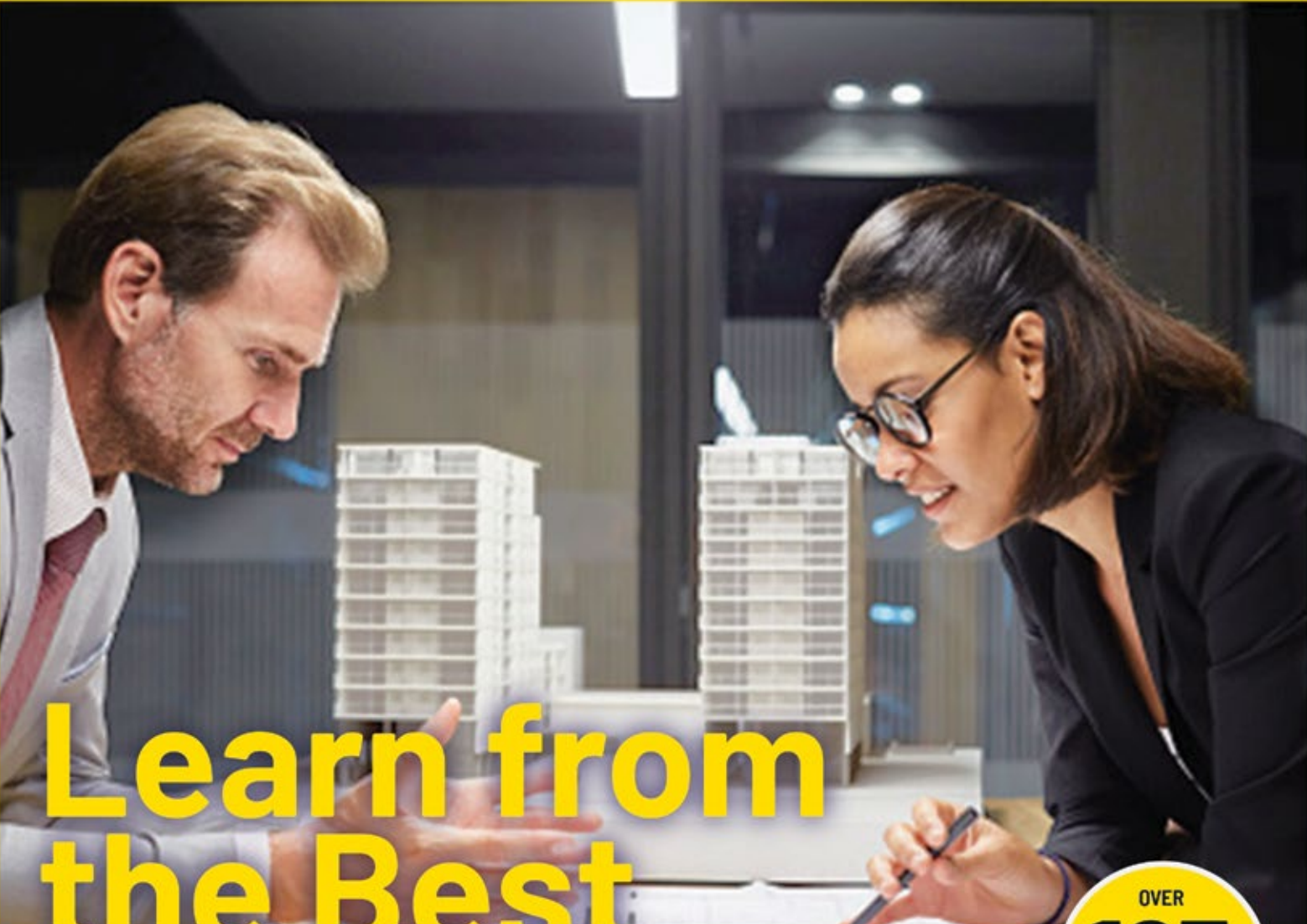
Graham is the author of **"The Property Triangle"**



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FLIP IT HOW TO BUY, RENOVATE AND SELL PROPERTY WITH CONFIDENCE

BY **KAREN WHATLEY**
AND **TASHA DARRINGTON**

Karen and Tasha chart their property journeys in which flips, otherwise known as buy-to-sell, have become a core strategy for, what they like to call, chunky money. This can then be used for a variety of purposes.

Their book covers the complete process of buying, renovating and selling property step by step. The first section covers *"understanding the market and planning your future"* and the authors share historical data showing that there has been an ever-increasing desire for home ownership despite continued housing shortage. This should reassure the reader that property flipping is a sustainable business and the profit could be used as income or used to build a sustainable rental business for recurring income.

The next chapter discusses the *"fundamentals of sourcing and assessing potential."* Their advice is to keep it local and get to know your area well – go deep rather than wide! Being local means you'll build relationships with agents and trades. Start to view properties and keep a detailed record of everything you view. Data capture is important as it's from this pipeline that your deals will emerge, perhaps months later. Deciding the best locations for flipping is key, so it's important that you have detailed knowledge of the area and who your buyer might be. Where do people want to live? Walk the patch and talk to local people and agents to unravel district amenities and schools.

Spend some time identifying your buyer and what they are looking for in their ideal property and area. The authors provide a useful list of the pros and cons of various types of properties. What do buyers want – open plan living accommodation centred on the kitchen, or more bedrooms, or parking?

A great place to start your flipping journey might be to target first time buyers. The next section describes the procedures to look for suitable properties online and some of the key words that can be used to identify the ones that need significant work. The authors introduce their **R.E.S.E.A.R.C.H model** to analyse a property's potential. Once this is done, contact the agent to ask additional questions and organise a viewing or do a drive by. The reader is reminded of eight mistakes to avoid eg emotional



attachment, jumping in too quickly and the chapter finishes with a section on *"what to look for when viewing properties."* If you are new, the authors suggest taking a friendly builder with you to assess the property/works.

The next chapter covers minimising risk and maximising potential and kicks off by discussing the numbers. If you are new to property, the advice is to start with small projects and the reader is introduced to the **P.A.W.S formula** to help structure your profits: P – purchase price; A – acquisition costs; W – works cost and S – selling costs. Sold price minus P.A.W.S equals your profit.

The six parts of this formula are then described in great detail. Following their R.E.S.E.A.R.C.H model and then applying the P.A.W.S formula, together with some scripts they provide, will allow you to negotiate like a pro.

The next section is about financing flips and starts with a list of the ways in which people may come into surplus money. This leads nicely onto the poor interest rate this money will attract in the bank and the easy conversation one can have with potential funders. The authors suggest that family and friends should be the first people on your list.

JVs can be structured in different ways to provide security to the lender and these are also described. Bank funding is also covered, as is the possibility of vendor

finance/assisted sales. The theme of finding potential investors continues in the next section in the wider context of property and business meetings, clubs you attend, people you work with and social media contacts. The final sections cover the buying process and trading properties in *"the right way"* with a particular emphasis on appointing the best solicitor and property tax accountant.

The final chapter covers the all-important topic of finding and managing people – this list includes brokers, solicitors, tradespeople and neighbours. Another useful section is *"planning and scheduling your works"* ie what to do and when, and provides step-by-step detail of everything from pre-purchase preparatory work, to planning your works ahead of completion, to the next steps after completion. The *"once you have the keys"* schedule list is very useful. The final and most important step is the sale itself and the authors provide lots of tips and point to the importance of the finish and presentation of the property, and having your paperwork in place.

Who is this book for?

This book for anyone looking to do flips and wants to start learning the ins and outs of this strategy. The authors have a decade of flipping experience, so this book is essential reading. The book is written in an easy-to-read conversation style but with plenty of technical information peppered with their own property stories. There are plenty of hints and tips to get you started and the authors have been kind enough to point the readers to valuable resources including their own website: www.tashaandkaren.com.

As they say at the beginning of this book: *"If you are just beginning and are frightened, the best thing to do is to start"* – wise words indeed! I also loved some of the terms they used: *"flipzone"* and *"don't let your flip become a flop."*

Book reviewed by:

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Really excellent

Really excellent, easy way to by-pass the high street agents and their fees.

Nancy
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The Rolls Royce of online letting agents

Great service. The Rolls Royce of online letting agents.

Christian
✓ Verified Order



THE BEST STRATEGY FOR 2019

PART 1

By **Simon Zutshi**

For this month's article, I'm going to share with you what I believe is the best strategy to use in the current market conditions. Now, this is difficult because the best strategy for you depends very much on your personal circumstances, your resources and what you are trying to achieve. Unfortunately, there is no one strategy that is perfect for everyone. I wish there was, as it would make my job as a property trainer so much easier.

However, there is a strategy – although it is more of a tool – which you can use in conjunction with many other strategies, including flips, HMOs and serviced accommodation. It is perfect for the current market conditions. In fact, this strategy is so versatile and powerful, and can be used in so many ways, that I am just finishing off writing a brand-new book all about it.

When used correctly, this strategy can massively improve both your cash flow and ROI. Many investors don't know about it and those who do, often don't get it. When I speak at events about this strategy and ask the audience if they have heard of it, usually only half put their hands up. And only a handful have implemented it.

It's a real shame, because there has never been a better time to use this tool than right now in 2019.

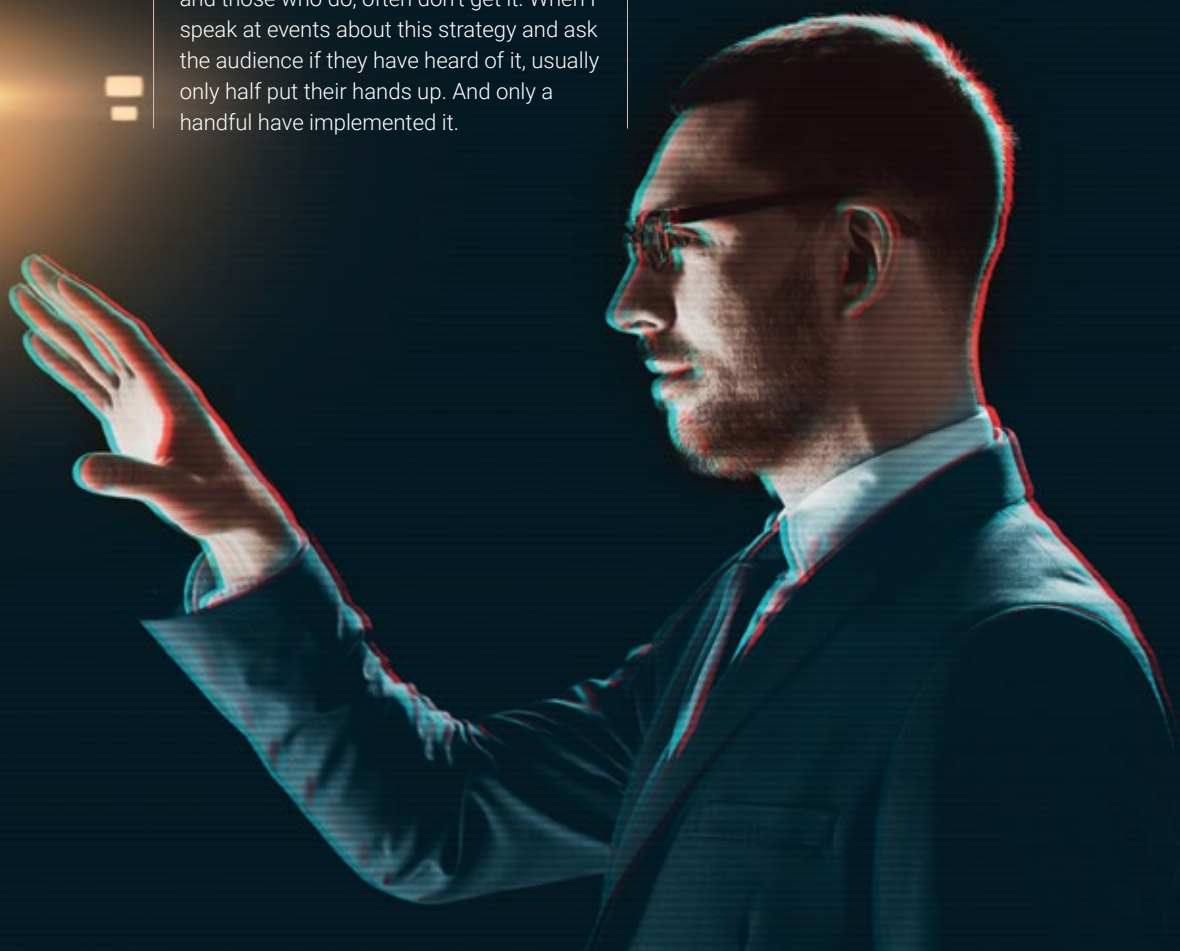
Even if you think you know what I'm talking about, I encourage you to have an open mind when reading this article. I want to inspire you to be able to use this strategy for yourself this year.

In this first part of this three-part series, I am going to describe a way to use this strategy that you may have never thought of before. In case you hadn't already guessed, I'm talking about purchase lease options, or PLOs for short.

First, let me give you a very quick overview of the basics before we look at an application example in this month's article.

A PLO is where you enter into a legally binding agreement with a property owner, whereby you have the right, but not the obligation, to purchase their property for a pre-agreed fixed price – otherwise known as the option price. You can agree a time period within which to buy the property – the option period – and in the meantime, you pay the vendor/owner a monthly option fee. In return, you are entitled to use the property.

To make this a legally binding agreement, it's usually necessary to pay an upfront option fee, which can be from as little as £1 to several thousand pounds. During the option period, you look after the property as if it were your own, and all maintenance is your responsibility.





For example, you might have the right to buy a property for the current market value of £200,000, anytime within the next five years. In the meantime, you pay the owner £600 per month, and take care of all the bills, repairs and maintenance. The house could be rented out as an HMO or serviced accommodation to generate a higher income. You make a profit on the difference between the rent you pay to the owner and the rent you achieve, less all the bills. This is cash flow for a property that you don't own.

The main benefit for you as the investor is that you don't need to put down the usual 25% deposit that you would need to purchase the property. You don't need to get a mortgage on the property, because you don't own it. You can benefit from positive cash flow and potential capital growth during the option period. If the value of the property rises from £200,000 now, to

£250,000 in five years' time, you have the right to purchase it at the agreed option price of £200,000, even though it is now worth more.

This sounds great for you, but why would the property owner ever agree to this? There are many property owners who decide for whatever reason that they no longer want their property. They may not be able to sell their property now, so we can step in to take over the responsibility of covering the costs such as the mortgage bills and maintenance, and therefore taking the hassle away from them.

We can also structure a deal where the owner makes more money from the sale if they are flexible in the terms, ie agreeing to sell the property to us in the future. This works very well for those who want to maximise the revenue from their property sale but do not need the money now.

"This is a critical point to understand when considering if a PLO is an appropriate strategy to use or not."

Most people who are selling a property are doing so because they want to access the equity to use for something else. In this case, a PLO won't be appropriate – they would not get their money when they need it. They would have to wait until the end of the option period to access equity, which could be years away.

This is where many amateur investors go wrong. They try to use PLOs when they

are not appropriate, so no wonder they have no success. They incorrectly assume that PLOs don't work, but really the problem is that they have tried to use a PLO in the wrong situation.

WHAT ARE YOU LOOKING FOR?

The most important thing to look for is a seller who does not need the money from the sale immediately. It might be possible that there is no equity in the property, in which case the owner can't be selling to access the cash. PLOs work well if there is no equity.

Many investors incorrectly believe that PLOs *only* work well in property that has no equity. In the situation where there is no mortgage, for example with an inherited property, there is 100% equity in the property. If the owner sells this property and puts the money in the bank, they will be subject to the low interest rates. However, we can agree on the monthly option fee to be far more than the return from the bank, so they would make more money by doing the PLO with you.

The second criterion to look for is where there are favourable mortgage conditions. This could be a property with no mortgage, as is the case for around 25% of homes in the UK. If there is a mortgage, ideally we would want an interest-only mortgage with a long term left on it, a low interest rate and if possible, a buy-to-let mortgage.





HOW TO FIND POTENTIAL PLOs

There are many ways of finding potential PLOs, some of which I will explain in the next two parts of this series. For now, I will share a method which I have used with great success. Have you ever seen a property listed for sale with an estate agent, which is also available to rent? I am sure you have.

What does it mean if the property is available for sale and to let? It means that the owner wants to sell the property, but that would be happy to rent it out in the meantime. This is exactly what we are proposing with a PLO. We want to buy it in the future ... but rent it in the meantime.

UPGRADE WHERE YOU LIVE

I would like to share with you an idea which you may not have considered before. Most investors see PLOs as a tool to control a

property which they can rent out to gain both cash flow and any potential capital growth. Instead of renting the property out, maybe you could live there instead.

How do you like the idea of living in a bigger property, or in a better area than you do right now? To buy a bigger home you would need to put down a big deposit and get a bigger mortgage, for which you need to be able to prove enough income. Or, you could find a suitable property on a PLO where you don't need to put down a large deposit and you don't need to get a mortgage.

Let me give you an example. Six years ago, I was looking for a new home for me and my then-partner in Edgbaston, Birmingham. I was keeping an eye on properties for sale in my target area and I noticed a property which had sold before and come back onto the market for £475,000 (shown below). I thought this could be a motivated seller because it looked like the previous sale had fallen through. I then noticed that it was also available to rent at £1,600 per month. As this property was available for both sale and rent, I thought there might be a potential for a PLO. I called the estate agent immediately to arrange a viewing the next day.

The property was a good-sized five-bed, terraced, Grade II listed Edwardian property in some need of modernisation. After I had looked round the property and built a good rapport with the agent, I asked him why the property had come back onto the market. He explained that a developer had agreed to purchase it, and was going to live there while renovating it before selling it on at a profit. Doing so would be tax free as it would have been his primary residential property.

This is a great strategy, so I asked the agent what had gone wrong. As the property was a Grade II listed building, the conservatory on the back of the property needed permission. The owner couldn't find the relevant documents for the conservatory that the previous owner had installed. The developer pulled out of the sale for this reason. The current owner needed a few months to get paperwork in order, and

asked the agent to put the property on the market to let as well as sell.

This was the perfect opportunity for me. I told the agent that I really liked the property and would like to buy. But I couldn't do that until all the paperwork was sorted out. I asked the agent if they thought the owner would be interested in renting it to me until I was able to buy it. The agent asked if the rent paid comes off the end purchase price, and I agreed.

The vendor had accepted £425,000 from the developer, but as I was planning on purchasing in 12 months' time, we agreed on a figure of £435,000. I negotiated the monthly rent down to £1,200 per month, and the rent I paid would come off the end price. We used a solicitor to put the paperwork together and I moved into the property four weeks after first viewing it.

Although the house was great, my partner and I decided that we did not want to exercise our option to buy at the end of the 12 months for various reasons.

Needless to say, the owner was disappointed that we were not going to purchase his property and he put it back on the market. However, he suggested that we continue to rent until he sold the property. We had looked after it well and he wanted to keep an income coming in to cover the mortgage until he found a new buyer.

We lived there for 20 months. And the new buyer paid more than we had offered so the owner was very happy in the end.

More recently, several of my students have used this strategy to move into bigger homes in better areas. Those who were already homeowners sometimes rented out their previous home for as much, or even more, than what they were paying for the monthly option fee. This could be a great strategy for you too.

Invest with knowledge, invest with skill,

Kind regards,

Simon Zutshi



- Author of Property Magic
- Founder, property investors network
- Founder, Property Mastermind Programme



IN NEXT MONTH'S ARTICLE ...

In the second part of this three-part article about PLOs, I will share how you can use this strategy to control HMOs and make £1,000 per month per property. If you're an HMO investor, this could be perfect strategy for you, especially with the increasing numbers of landlords looking to retire early due to the Section 24 tax changes.

REVEALED: BEAT THE PROFESSIONALS!

By **Marcus de Maria**

THE 4 REASONS WHY WE HAVE MORE CHANCES OF MAKING MONEY TRADING AND INVESTING THAN THE PROFESSIONALS IN THE CITY!



This month, we explore the four reasons we have more chances of making money than even the professionals in the city.

Who am I talking about when I say 'professionals'? I am talking about the traditional big fund, pension and unit trust managers who invest our money for us.

Making money investing in the ways I have taught you in recent months is simple. It shouldn't take longer than 10-20 minutes a day. After all, how difficult can a strategy be that takes only 10-20 minutes a day? But that doesn't mean it is easy. You have to learn what to do. **Then you need to do what you have learned.** Simple, but not easy.

What most people don't realise is that, after you have learned what to do (and we can help you with that – just have a look at our book here: www.investment-mastery.com/ypnmagbook), all you need to do is to keep the momentum going long enough for you to get into the habit of practising 10-20 minutes a day trading and investing stocks. The rest will take care of itself.

We suggest that if you can keep this up for just four weeks every Monday, Tuesday, Wednesday, Thursday and then some time over the weekend you will master this habit. After that the habit is set and you will get better and better at it.

So what prevents us from doing this? Often it is as simple as not really believing it is possible in the first place.

"Often we find that the challenge starts with our own mindset around the markets."

We say things to ourselves like *"It's too risky"*, or *"I could lose everything"*, or *"the markets are manipulated"*, *"the professionals know best, I should invest with them"*. Feel free to add your own words here. We will discuss the first two of these challenges next month where I will prove that it does not need to be risky at all, but here I would like to explain why the last one is total and utter BS.

There are four reasons why you have **MORE** chance of making money than the professionals, mainly because of the regulations they are under due to the fact that they are investing other people's money. Four! Not one or two but four! If this doesn't convince you then nothing will. So here goes:

1. Professionals are limited in what they can invest in. We are not.

Imagine a fund called Pan-European Growth Utilities Fund. Sounds good? You invest your savings and hope for the best. After all, they are the professionals.

After a few months it is clear that not much is happening in the utilities sector. But in an inter-departmental meeting, our fund manager hears from the technology fund manager that the technology sector is hot right now and roaring ahead, chalking up massive gains. The technology fund manager's office is right next door to our fund manager's office. Can our fund manager knock on his colleague's door,

get some expert advice, and invest instead in the technology market?

We wish!

Our utilities fund can only invest in gas, water and electricity companies because it is a utilities fund not a technology fund.

No matter, our savvy fund manager can look to the east at the growth markets that are China and India to find some undiscovered gem there, right?

We wish!

Didn't you read the brochure? It's a Pan-European fund so only European utility companies are allowed.

We on the other hand can invest in anything and any company we want to. It is our money we are investing and so we are not regulated in this way.

2. Funds **HAVE** to invest even when it is best to stay in cash. We can stay in cash.

As a professional, there might be times when the market is not looking so bullish and it might be time to get out of the markets and stay in cash. Right?

We wish!

As an investment fund, our professional is mandated to invest when he receives our money, no matter what is happening in the market. Can you imagine the uproar if he decided not to invest our money, stay in cash and to his horror the market would go up? We think we are invested with him. He however stayed in cash and missed out on profits. We would be up in arms as soon as we found out.

Worst still, he would still be buying if we sent him our money when stocks are actually going down. If we questioned him he would point to the sign on the door: "Investment Fund" ... "That's what we do. Invest your money for you. You send it, we invest it."

Which leads us to reason number 3 ...

3. Traditional funds can't make money when markets go down. We can sell short.

We have just learned that our professional can't stay in cash. So what do they do when markets are going down?

They buy.

Obviously they are hoping to cherry pick those companies whose shares price is going to buck the trend and go up instead. Easier said than done. For a start, market sentiment makes up approximately 65% of



the movement. If the market starts moving down, people start to panic. Panic leads to selling. Selling leads to more panic.

Wouldn't it make more sense to just sell short, as we described a few months ago? This is where we make money when markets go down by selling short at a high price and buying back at a lower price?

They would if they could. The majority of funds can only buy. That means they can only make money when a market goes up. Not when it goes sideways and they will actually lose you money when it goes down. Put another way, you have one in three chances of making money.

How do you like the odds of being able to make money in only one out of three scenarios (that's a less than 50-50 chance)? Now imagine putting the odds in your favour and being able to make money in **ALL** market directions. How do you like **THOSE** odds? We can do that. They can't.

4. Funds are forced to make short term decisions to the detriment of longer term gains. We can view things more long term and therefore benefit more.

Fund managers are ranked according to their performance against each other. If a fund falls down the ranking, investors start to pull their money out. So a fund's job is essentially to do two things:

- **Take investors' money in**
- **Keep investors' money in**

In order to do that, they will sacrifice really big short term gains in order to make short

term gains and keep their ranking. There have been stories of incredibly well-respected investors, including Warren Buffett, who were criticised about not riding the technology bubble up all the way in the late 90s. They were vindicated and later proved right when it crashed wiping out millions of profits, but by that time most had been fired.

We can get into a position and even if it is going the wrong way for a while, even months or years, it is ok because we are not comparing ourselves to anyone else. Jim Rogers, a maverick and contrarian investor, who ran the Quantum Fund with George Soros, will usually get in way too early but in the end he is proven right. They made their shareholders over 4,200% in ten years. Now that's what I am talking about!

If there were one or two reasons, then they could be ignored. But how can we ignore four solid gold reasons? The answer is you really can't – so let's get going and start learning what you should have learned a long time ago.

Until next month

Marcus



In these times it is a **MUST** for you to learn more about what trading and investing in stocks, commodities and precious metals has to offer. We are having a series of one-day events where we go through the strategies so you can take control of your own finances.

But first, why not go ahead and download your **FREE STRATEGY REPORT**, exclusive for YPN subscribers:

www.investment-mastery.com/ypnmagbook

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	HB	Housing benefit
AST	Assured Shorthold Tenancy	CML	Council for Mortgage Lenders	HHSRS	Housing Health and Safety Rating System
AT	Assured tenancy	CPD	Continuing Professional Development	HMO	House of Multiple Occupation
BCIS	Building Cost Information Service – a part of RICS, providing cost and price information for the UK construction industry.	CPT	Contractual periodic tenancy	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)
BCO	British Council for Offices	CRM	Customer relationship management (eg, CRM systems)		
BIM	Building information modelling	CTA	Call to Action	HP	Hire Purchase
BMV	Below market value	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.	HSE	Health and Safety Executive
BRR	Buy, refurbish, rent out	DHCLG	Department of Housing, Communities and Local Government (formerly DCLG – Department for Communities and Local Government)	ICR	Interest Cover Ratio
BTL	Buy-to-let			IFA	Independent financial advisor
BTR	Build-to-rent	DoT	Deed or Declaration of Trust	IHT	Inheritance tax
BTS	Buy-to-sell	DPS	Deposit Protection Service	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	EHO	Environmental Health Officer		
CDM	Construction Design and Management	EIS	Enterprise Investment Scheme	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)	EPC	Energy performance certificate	JVA	Joint venture agreement
		FCA	Financial Conduct Authority	KPIs	Key Performance Indicators
		FHL	Furnished holiday let	L8 ACOP	Approved Code of Practice L8 – Legionella Control and Guidance
		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	LACORS	Local Authorities Coordinators of Regulatory Services
		cover		LHA	Local Housing Authority
		FPC	Financial Policy Committee	Libor	London Inter-Bank Offered Rate
		FRA	Fire risk assessment	LLP	Limited Liability Partnership
		FSCS	Financial Services Compensation Scheme	LTV	Loan To Value
		FTB	First time buyer	MCD	Mortgage Credit Directive (European framework of rules of conduct for mortgage firms)
		GCH	Gas central heating	MVP	Minimum viable product
		GDP	Gross domestic product	NALS	National Approved Letting Scheme
		GDPR	General Data Protection Regulation		
		GDV	Gross Development Value		
		GOI	Gross operating income		
CIS	Construction Industry Scheme – Under this, contractors deduct money from a subcontractor's payments and pass it to HMRC. These deductions count as advance payments towards the subcontractor's tax and NI. Contractors must register for the scheme. Subcontractors don't have to register, but deductions are taken from their payments at a higher rate if they're not registered.				

NICEIC	National Inspection Council for Electrical Installation Contracting	RSJ	Rolled-steel joist – steel beam	SA	Serviced Accommodation
NLA	National Landlords Association	RTO	Rent to Own	SAP (assessment)	Standard assessment procedure
OIEO	Offers in excess of	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)	SARB	Sale and Rent Back
OMV	Open market value			SDLT	Stamp Duty Land Tax
ONS	Office for National Statistics			SI	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	S8 or Section 8	Named after Section 8 of The Housing Act 1988. A Section 21 Notice (or Notice to Quit) is served when a tenant has breached the terms of their tenancy agreement, giving the landlord grounds to regain possession. Strict rules apply. See https://www.gov.uk/evicting-tenants/section-21-and-section-8-notices for up-to-date information.		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.				(a) Member of a syndicate of business angels for at least six months;
PI Insurance	Professional Indemnity insurance				(b) More than one investment in an unlisted company within the previous two years;
PLO	Purchase lease option	S21 or Section 21	Named after Section 21 of The Housing Act 1988. You can use a Section 21 Notice (or Notice of Possession) to evict tenants who have an assured shorthold tenancy. Strict rules apply. See https://www.gov.uk/evicting-tenants/section-21-and-section-8-notices for up-to-date information.		(c) Working in professional capacity in private equity sector or provision of finance for SMEs;
PM	Project manager				(d) Director of a company with annual turnover of at least £1m within the previous two years.
PRA	Prudential Regulation Authority – created as a part of the Bank of England by the Financial Services Act (2012), responsible for the prudential regulation and supervision of around 1,500 banks, building societies, credit unions, insurers and major investment firms. (Source: Bank of England)	S24 or Section 24	Section 24 of the Finance Act (No. 2) Act 2015 – restriction of relief for finance costs on residential properties to the basic rate of Income Tax, being introduced gradually from 6 April 2017. Also referred to as the Tenant Tax’.	SIP(s)	Structural integrated panels
PRC	Pre-cast reinforced concrete. Often used for residential construction in the post-WW2 period, but considered as non-standard construction and difficult to mortgage. Most lenders will not lend unless a structural repair has been carried out in accordance with approved PRC licence, supervised by an approved PRC inspector. Legal evidence of the repair is issued in the form of a PRC Certificate of Structural Completion. (Source: prchomes.co.uk)	S106 or Section 106	Section 106 agreements, based on that section of The 1990 Town & Country Planning Act, and also referred to as planning obligations, are private agreements made between local authorities and developers. They can be attached to a planning permission to make acceptable development that would otherwise be unacceptable in planning terms. Planning obligations must be directly relevant to the proposed development and are used for three purposes:	SME	Small and Medium-sized Enterprises
			1. Prescribe the nature of development	SPT	Statutory periodic tenancy
PRS	Private Rented Sector		2. Compensate for loss or damage created by a development	SPV	Special Purpose Vehicle – a structure, usually a limited company, used when more than one person invests in a property. The legal status of the SPV protects the interests of each investor.
R2R	Rent-to-rent		3. Mitigate the impact of a development	SSTC	Sold Subject To Contract
REIT	Real Estate Investment Trust			TPO	The Property Ombudsman
RGI	Rent guarantee insurance			UKALA	The UK Association of Letting Agents
RICS	Royal Institute of Chartered Surveyors			USP	Unique selling point
RLA	Residential Landlords Association			VOA	Valuation Office Agency
RoCE	Return on Capital Employed				
ROI	Return on Investment				
RP	Registered Proprietor, refer ring to the name on the title of a property Land Registry				

(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 Ikhninwin

www.canarywharfpin.co.uk

Clapham pin

1st Tuesday of the month

Landor Space, 70 Landor Road, Clapham, London, SW9 9PH

Host: Stuart Ross

www.claphampin.co.uk

PPN London St. Pancras 06/03/2019

WeWork Kings Place, 90 York Way, London N1 9AG

Hosts: Jamie Madill & Steve Mitchell
progressivepropertynetwork.co.uk/stpancras

PPN London Knightsbridge 12/03/2019

Leo Nova South, 160 Victoria Street Westminster London, SW1E 5LB.

Host: Pippa Mitchell

progressivepropertynetwork.co.uk/knightsbridge

PPN Blackfriars 11/03/2019

Crown Plaza, 19 New Bridge St, London, EC4V 6DB **Host:** Kevin McDonnell

progressivepropertynetwork.co.uk/mayfair

PPN Canary Wharf 21/03/2019

De Vere Canary Wharf, 1 Westferry Circus, E14 4HD

Hosts: Kal Kandola and Diksesh Patel

progressivepropertynetwork.co.uk/canary-wharf

PPN Mayfair 27/03/2019

The Washington Mayfair, 5 Curzon St, Mayfair, London W1J 5HE

Host: David Seigler

progressivepropertynetwork.co.uk/mayfair

PPN Bank 1st Monday of the month.

Brand Exchange Members Club

3 Birchin Ln, London, EC3V 9BW

Host: Michael Primrose

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 Thurlow 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: Irene Anggard Agnell

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

Double Tree Hilton Hotel, 60 Pentoville Road, N1 9LA **Founder:** Kam Dovedi

premierpropertyclub.co.uk/islington

Premier Property Club - Knightsbridge

3rd Wednesday of the Month

Hilton Hotel Park Lane, 22 Park Lane, W1K 1BE **Founder:** Kam Dovedi

premierpropertyclub.co.uk/knightsbridge

Premier Property Club - Canary Wharf

4th Tuesday of the Month

Hilton Hotel, Marsh Wall, London, E14 9SH **Founder:** Kam Dovedi

premierpropertyclub.co.uk/canarywharf

Premier Property Club - Croydon

1st Tuesday of Each Month

Jurys Inn Croydon, Wellesley Road, London CR0 9XY **Founder:** Kam Dovedi

premierpropertyclub.co.uk/croydon

Premier Property Club Wembley

4th Wednesday of each month

Holiday Inn Wembley Empire Way, Wembley HA9 8DS **Founder:** Kam Dovedi

premierpropertyclub.co.uk/wembley

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)

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 Thursday of the month

London Bridge Hotel, 8-18 London Bridge St, London SE1 9SG **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, Sutton, Surrey, SM1 1DJ

Hosts: Johanna and Peter Lawrence

www.meetup.com/Sutton-Property-Meetup

London Property Talk (BMV Meet)

1st Monday of the month

Hilton London Docklands, 265 Rotherhithe Street, London, SE16 5HW

Host: Owais Naveed

<http://ukpropertymeet.co.uk>

London Property Investor Breakfast

4th Tuesday of the month (7.30am - 9.30am)

Doubletree by Hilton, 92 Southampton Row, Holborn, London, WC1B 4BH **Host:** Fraser Macdonald

www.meetup.com/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

2nd Monday of the month

M Threadneedle Street, Unit 2-3, 60 Threadneedle St, London EC2R 8HP

Hosts: Aaron Kok & Charlotte Cheong

<https://facebook.com/SquareMilePropMeet/>

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 Green, Winchmore Hill, London, N21 1BB **Hosts:** Deborah Tyfield and Dr Martand Patel Tickets: £20 online, £25 on the door. Tickets includes canapés

www.premierpropertymeet.co.uk

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

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

London HMO Property Group

Host: Alan Wood

For information on the next event visit

www.hmopropertygroup.co.uk

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 11/03/2019

Best Western Ipswich Hotel, Old London
Road, Copdock, Ipswich, IP8 3JD

Host: Halstead Ottley

progressivepropertynetwork.co.uk/ipswich

PPN Peterborough 18/03/2019

Holiday Inn Thorpe Wood, Peterborough,
PE3 6SG **Host:** Dennis Hedges

progressivepropertynetwork.co.uk/peterborough

PPN Brentwood 05/03/2019

Holiday Inn, Brook Street, CM14 5NF

Hosts: Sarah and Tony Harding

progressivepropertynetwork.co.uk/brentwood

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

Hoebriidge Golf Club, Old Woking Road,

Woking, GU22 8JH **Host:** Anne

Woodward www.wokingpin.co.uk

Oxford pin 1st Thursday of the month

Jurys Inn, Godstow Rd, Oxford,

OX2 8AL **Host:** Gillie Barlow

www.oxfordpin.co.uk

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

PMA Kent

2nd Wednesday of every month

Bridgwood Manor Hotel, Walderslade

Woods, Chatham **Hosts:** Estelle

Barnes and Dimpy Pathak

www.pmanetwork.co.uk/events

Reading pin

1st Tuesday of the month

Crowne Plaza Reading, Caversham
Bridge, Richfield Avenue, Reading

RG1 8BD **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

Hampshire Property Network (HPN)

2nd Wednesday of the Month

Holiday Inn, Fareham, Cartwright Drive
Titchfield, PO15 5RJ Fareham

Hosts: Mark Smith & Allan Wadsworth
hampshirepropertynetwork.com

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

4th Thursday of the month (March)

The Courtlands Hotel, 19-27 The Drive,
Hove, East Sussex, BN3 3JE

Host: Peter Fannon

www.brightonpin.co.uk

Basingstoke pin

4th Wednesday of the month

The Hampshire Court Hotel, Centre
Drive, Great Binfield Road, Chineham,

Basingstoke, RG24 8FY

Hosts: Seb and Aga Krupowicz

www.basingstokepin.co.uk

Kent pin

1st Thursday of the month

Village Hotel Club, Maidstone,
Castle View, Forstal Road, Sandling

ME14 3AQ **Hosts:** Martin and Sarah
Rapley www.kentpin.co.uk

Southampton Property Hub Meet Up

1st Thursday of every month

The Maritimo Lounge 1 Moresby
Tower Admirals Quay, Ocean Way,
Southampton SO14 3LG

Host: Sarah Smith

<https://www.facebook.com/propertyhubsouthampton/?fref=ts>

Thanet Property Network Second

Wednesday of the the month - 7pm -

9pm 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

Swindon pin NEW MEETING

4th Wednesday of the month

Village Hotel Swindon, Shaw Ridge Leisure Park, Whitehill Way, Swindon, SN5 7DW www.swindonpin.co.uk

PPN Bournemouth

19/03/2019 The Cumberland Hotel, East Overcliff Drive, Bournemouth BH1 3AF. **Host:** Leigh Ashbee

progressivepropertynetwork.co.uk/bournemouth

PPN Swindon 12/03/2019

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>

Torbay Free Property Meet

Every 2nd Monday of the month

Chelston Manor, Old Mill Rd, Torquay TQ2 6HW **Hosts:** Ed Akay and Mel Richards www.facebook.com/torbayproperty

Exeter Free Property Meet

Every First Thursday of the Month

The Ley Arms, Kenn, Devon EX6 7UW **Hosts:** Ed Akay and Keith Sparkes www.facebook.com/exeterpropertymeet

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 Citrus Hotel Coventry A45 London Rd, Ryton on Dunsmore, Warwickshire, Coventry, CV8 3DY **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

Premier Inn Trentham Gardens Stoke (New venue for March event only) **Host:** Steve and Emma Barker-Hall www.stokepin.co.uk

PPN Wolverhampton 05/03/2019

The Cleveland Suite, Wolverhampton Racecourse, Gorsebrook Road, WV6 0PE **Hosts:** Tim and Sue Gray progressivepropertynetwork.co.uk/wolverhampton

PPN Birmingham 13/03/2019

Members Club House Edgbaston Priory Club Sir Harry's Road, Edgbaston, Birmingham B15 2UZ **Host:** Kirsty Darkins progressivepropertynetwork.co.uk/birmingham

PPN Leamington Spa 20/03/2019

The Saxon Mill, Coventry Road, Guys Cliffe, Warwick, Warwickshire, UK, CV34 5YN **Host:** Mark Potter progressivepropertynetwork.co.uk/leamingtonspa

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 Herwitker and
Shack Baker.
www.watfordpin.co.uk

Northampton pin
1st Thursday of the month
Hotel Campanile, Junction 15 M1,
Loake Close, Grange Park,
Northampton NN4 5EZ
Host: Amelia Carter
www.northamptonpin.co.uk

Lincoln pin NEW MEETING
4th Thursday of every month
Holiday Inn Express, Lincoln City
Centre, Ruston Way, Brayford Park,
Lincoln, LN6 7DB
Hosts: Ankie Bell and Hannelie Ehlers
www.lincolnpin.co.uk

PPN Derby 12/03/2019
Nelsons Solicitors, Sterne House,
Lodge Lane, Derby, DE1 3WD
Hosts: Mike Alder & Jamie Hayter
progressivepropertynetwork.co.uk/derby

PPN Leicester 11/03/2019
Marriott Hotel, Smith Way, Grove Park,
LE19 1SW **Host:** Kal Kandola
progressivepropertynetwork.co.uk/leicester

PPN Northampton 19/03/2019
Hilton Hotel, 100 Watling Lane,
Collingtree, Northampton, NN4 0XW
Host: Kim Hendle
progressivepropertynetwork.co.uk/northampton

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

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

London HMO Property Group
Host: Alan Wood
For information on the next event visit
www.hmopropertygroup.co.uk

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>

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 28/03/2019
Best Western Plus, Pinewood on Wilms-
low, Wilmslow Road, Cheshire SK9 3LF
Host: Mike Chadwick
progressivepropertynetwork.co.uk/wilmslow

PPN Blackpool 25/03/2019
Ribby Hall Village, Ribby Road,
Wrea Green, Nr Blackpool, PR4 2PR
Host: Niki Torbett
progressivepropertynetwork.co.uk/blackpool

PPN Liverpool 27/03/2019
One Queen Square, Liverpool, L1 1RH
Hosts: Andrew Budden & Alison
McIntyre
progressivepropertynetwork.co.uk/liverpool

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

Harrogate pin

1st Wednesday of the month

Cedar Court Hotel, Park Parade, off Knaresborough Road, Harrogate, HG1 5AH **Host:** Paul Bellas
www.harrogatepin.co.uk

York pin

3rd Wednesday of the month

York RI, 22 Queen Street, York, YO24 1AD **NEW Hosts:** Mike Q Hainsworth and Olga Hainsworth
www.yorkpin.co.uk

Sheffield pin

2nd Wednesday of the month

Mercure Sheffield Parkway Hotel (previously known as Aston Hotel) Britannia Way, Sheffield, South Yorkshire S9 1XU **Hosts:** Paul Hastings and Stuart Cooper
www.sheffieldpin.co.uk

PPN Leeds 12/03/2019

Hilton Hotel, Neville Street, Leeds LS1 4BX **Host:** Mo Jogee
progressivepropertynetwork.co.uk/leeds

PPN Sheffield 26/03/2019

Mercure Hotel, Britannia way, Catcliffe, Rotherham, Yorkshire, S60 5BD
Host: Kevin McDonnell
progressivepropertynetwork.co.uk/sheffield

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 25/03/2019

The Corinthian Club, 191 Ingram St, Glasgow G1 1DA
Hosts: Philip Howard & Aaron Percival
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

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

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 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.

PROPERTY AUCTIONS

MARCH 2019

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EAST ANGLIA

Goldings 06/03/2019, 14:15

The Atrium, Wherstead Park, Ipswich, IP9 2BJ

Cheffins 13/03/2019, 12:00

Clifton House, 1-2 Clifton Road, Cambridge, CB1 7EA

TW Gaze 14/03/2019, 12:00

Diss Auction Rooms, Roydon Road, Diss, IP22 4LN

Brown & Co 28/03/2019, 11:00

Assembly House, Theatre Street, Norwich, NR2 1RQ

EAST MIDLANDS

The County Property Auction

06/03/2019, 19:00 Doubletree by Hilton, Brayford Wharf North, Lincoln, LN1 1YW

Savills (Nottingham)

08/03/2019, 14:30 Nottingham Racecourse, Colwick Road, Nottingham, NG2 4BE

Shonki Brothers (Narborough Road)

13/03/2019, 17:30 Leicester City Football Club, Filbert Way, Leicester, LE2 7FL

Fidler Taylor 21/03/2019, 19:00

Peak Edge Hotel, (previously Red Lion), Stonedge, S45 0LW

Bagshaws Bakewell 25/03/2019, 15:00

The Agricultural Business Centre, Agricultural Way, Bakewell, DE45 1AH

LONDON

Harman Healy 07/03/2019, 12:00

Kensington Town Hall, 195 Hornton Street, London, W8 7NX

Barnard Marcus 12/03/2019

Grand Connaught Rooms, Great Queen Street, London, WC2B 5DA

Strettons 25/03/2019, 11:00

Grand Connaught Rooms, Great Queen Street, London, WC2B 5DA

Auction House London

26/03/2019, 12:00 London Marriott Hotel, Regents Park, 128 King Henrys Road, London, NW3 3ST

Town & Country Property Auctions

London 26/03/2019, 12:30 Crown Plaza London Kensington, 100 Cromwell Road, London, SW7 4ER

Allsop Commercial 26/03/2019

The Berkeley, Wilton Place, London, SW1X 7RL

Allsop Residential 28/03/2019

InterContinental Hotel London Park Lane, 1 Hamilton Place, Park Lane, Mayfair, London, W1J 7QY

WALES

John Francis 06/03/2019, 15:00

Parc y Scarlets, Llanelli, SA14 9UX

Clee Tompkinson Francis 13/03/2019

Hotel Mercure, Phoenix Way, Enterprise Park, Swansea, SA7 9EG

Paul Fosh Auctions

21/03/2019, 17:00, The Park Inn Hotel (Formerly The Moat House), Circle Way East, Llanedeyrn, Cardiff, CF23 9XF

Clough & Co 27/03/2019, 19:00

Brookhouse Mill Hotel, Brookhouse, Denbigh, LL16 4RD

Harry Ray & Company

29/03/2019, 10:00 Town Hall, 42 Broad Street, Welshpool, SY21 7RR

SOUTH WEST

Taylor & Fletcher Stow on the Wold

06/03/2019 North Cotswold Saleroom, Lansdowne, Bourton on the Water, GL54 2AR

Symonds & Sampson LLP

15/03/2019, 14:00 The Digby Hall, Hound Street, Sherborne, DT9 3AB

Greenslade Taylor Hunt Honiton

19/03/2019 Shrubbery Hotel, Station Road, Ilminster, TA19 9AR

Clive Emson West Country

21/03/2019, 11:00 St. Mellion International Resort, St. Mellion, Saltash, PL12 6SD

D J & P Newland Rennie Writton

26/03/2019, 19:00 Mendip Spring Golf Club, Brinsea Farm, Honeyhall Lane, Congresbury, Bristol, BS49 5JT

David Plaister Ltd 26/03/2019, 19:00

The Royal Hotel, 1 South Parade, Weston-Super-Mare, BS23 1JP

Greenslade Taylor Hunt Burnham-on-Sea

27/03/2019, 19:00 Batch Country House, Batch Lane, Lympham, BS24 0EX

Greenslade Taylor Hunt Honiton

27/03/2019 Batch Country House, Batch Lane, Lympham, BS24 0EX
Auction House Bristol & West

28/03/2019, 19:00

Ashton Gate Stadium, Winterstoke Road, Ashton Gate, BS3 2LQ

Strakers 28/03/2019, 19:00

Bath Racecourse, Lansdown, Bath, BA1 9BU

SOUTH-EAST HOME COUNTIES

Hair & Son 14/03/2019, 15:00

Saxon Hall, Aviation Way, Southend on Sea, SS2 6UN

Clive Emson Essex North & East

18/03/2019, 11:00 The Chelmsford City Racecourse, Moulsham Hall Lane, Great Leighs, Chelmsford, CM3 1QP

Clive Emson Kent & South East London

19/03/2019, 11:00 Clive Emson Conference Centre, Kent County Show Ground, Maidstone, ME14 3JF

Clive Emson Sussex & Surrey

20/03/2019, 11:00 Hilton Brighton Metropole, 106-121 Kings Road, Brighton, BN1 2FU

Clive Emson Hampshire & Isle of Wight

22/03/2019, 11:00 Solent Hotel, Rookery Avenue, Fareham, PO15 7AJ

Auction House Essex

26/03/2019, 19:00 Crondon Golf & Country Club, Stock Road, Stock, CM4 9DP

Fox & Sons (Southampton)

28/03/2019, 13:00 Macdonald Botley Park Hotel, Winchester Road, Botley, Southampton, SO32 2UA

Auction House Sussex

28/03/2019, 14:30 The Hove Club, 28 Fourth Avenue, Hove, BN3 2PJ

YORKSHIRE AND THE HUMBER

Blundells 06/03/2019, 13:00

Double Tree by Hilton Sheffield Park, Chesterfield Road South, Sheffield, S8 8BW

Bramleys 07/03/2019, 19:00

John Smiths Stadium, Stadium Way, Huddersfield, HD1 6PG

Feather Smailes & Scales 07/03/2019

The Pavilions of Harrogate, Great Yorkshire Showground, Railway Road off Wetherby Road, Harrogate, HG2 8QZ

Auction House Hull & East Yorkshire

20/03/2019, 18:30 Beverley Racecourse, York Road, Beverley, HU17 8QZ

Auction House West Yorkshire

25/03/2019, 14:00 Leeds United Football Club, Elland Road, Leeds, LS11 0ES

Town & Country Property Auctions

North East 27/03/2019, 19:00 Riverside Stadium, The Leeway Riverside, Middlesbrough, TS3 6RS

NORTHERN IRELAND

O'Donnellan & Joyce 01/03/2019

The Harbour Hotel, The Docks, County Galway

NORTH EAST

Great North Property Auction - IAM

Sold 26/03/2019 Ramside Hall Hotel, Carrville, Durham, DH1 1TD

Agents Property Auction 27/03/2019

Newcastle Marriott Hotel, High Gosforth Park, Newcastle upon Tyne, NE3 5HN

NORTH WEST

Auction House North West 14/03/2019

14:00 Bolton Wanderers Football Club, Macron Stadium, Burnden Way, Bolton, BL6 6JW

Auction House Manchester

25/03/2019 14:00 Manchester City Football Club Ltd, Etihad Stadium, Rowsley Street, Manchester, M11 3FF

Sutton Kersh Auctions

28/03/2019, 12:00 Liverpool Marriott Hotel, 1, Queen Square, Liverpool, L1 1RH

NORTH-WEST HOME COUNTIES

Auction House Thames Valley

26/03/2019, 12:00 The Pinewood Hotel, Wexham Park Lane, George Green, SL3 6AP

WEST MIDLANDS

Phipps & Pritchard 12/03/2019, 18:00

Hogarths, Stone Manor Hotel, Kidderminster, DY10 4PJ

John Earle & Son 12/03/2019

Henley Golf & Country Club, Birmingham Road, Henley-in-Arden, B95 5QA

Auction House Staffordshire

20/03/2019, 19:00 Stoke City Football Club, The Britannia Stadium, Stanley Matthews Way, Stoke-on-Trent, ST4 4EG

SDL Auctions Bigwood

21/03/2019, 10:30 Aston Villa Football Club, Trinity Road, Birmingham, B6 6HE

Loveitts 21/03/2019, 18:30

Village Urban Resort, Dolomite Avenue, Coventry Business Park, Coventry, CV4 9GZ

Bowen Son & Watson 25/03/2019

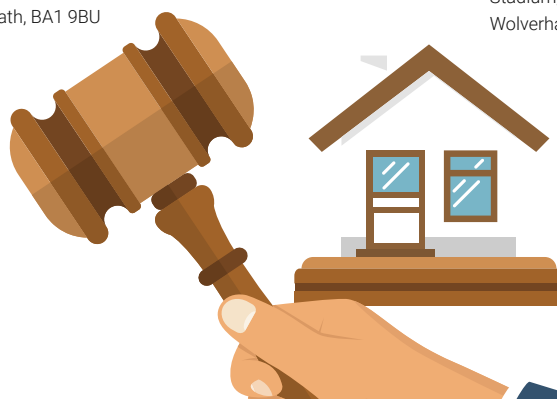
Lion Quays Hotel, Weston Rhyn, Oswestry, SY11 3EN

Fisher German Bromsgrove

26/03/2019 Bromsgrove Golf Centre, Stratford Road, Bromsgrove, B60 1LD

West Midlands Property Auction - IAM

Sold 28/03/2019, 19:00 Molineux Stadium, Waterloo Road, Wolverhampton, WV1 4QR





OUR VIP PRODUCT GIVING MEMBERS FAST TRACK KNOWLEDGE TO PROPERTY SUCCESS

If you aren't aware of YPN Extra, it's Your Property Network's inner circle VIP product for people who want to take their property knowledge to the next level.

Here's just one example of what members have discovered in our exclusive weekly webinars ...

How to net £10k per month from 1 property

Lloyd & Marta Smith own boutique B&Bs in South Wales. These serviced accommodation businesses are generating circa £10k profit per month, per hotel – yielding an amazing 140% return on capital.

£300k turnover from a £600k property? It really is true ... but not without hard work and a **LOT** of systematisation. Lloyd & Marta shared:

*How to find tired B&Bs and transform them into boutique hotels that operate **WITHOUT** an owner-occupier.*

How to fully systemise and automate the business so they can run it from anywhere in the world.

The key members of the team to employ first to remove yourself from the business.

*The IT systems, apps, online portals **AND** revenue management strategies that have seen them attain average 92% occupancy.*

What you get ...

Up-to-date information

Weekly live webinars, exclusively for YPN Extra members, with people operating and profiting from property strategies in today's market. Webinars are recorded and made available in the private Facebook group.

Community

What's more, the interviewees are in the group ready to answer your questions.

YPN Extra is about being part of a new community that solves the problem of not having an expert or a mentor to hand, it's about being part of the extended YPN family, an elite selection of people who are serious about taking their property investing to the next level. You have ...

- ... A team of mentors for as long as you want.
- ... Access to investors who are operating these strategies and getting great results **NOW**.
- ... Insights into what really works – and what doesn't.
- ... A chance to get your questions answered.

Extra insights, no bullsh*t

YPN Extra is different to any other type of property education product. We look at strategies **IN DETAIL** and ask no-bullsh*t questions that elicit candid answers.

Many of the webinars we have attended may as well be a recorded video of the same old blurb. Even if you ask a question, chances are low you'll get it answered as it will be swamped by the other hundreds of listeners.

We want to change that. That's why we've limited to the group to **100** people.

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Join the Extra 100 – while you still can.

YPN Extra webinars are **LIVE** every Tuesday night, 8 - 9.30pm.

Invest in yourself. Invest in EXTRA at www.yourpropertynetwork.co.uk/extra

COMING UP IN MARCH

Extra webinars are **LIVE** every Tuesday at 8pm. Here's a sample from next month's schedule ...

5th March

Maximise your rents with top-notch design

Michelle Cairns will be interviewing **Julian Maurice** to get the insider info about what you can do to make your properties look good, perform well and yield excellent returns.

26th March

Working with listed buildings

Seasoned commercial-to-residential developers **Joe & Jane Harling** go into detail about work on some of their listed building projects. What do you need to know before you start? What are the pitfalls to avoid? Listen and learn as Ant Lyons and Jayne Owen dig deep on the builds and the numbers.

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