Issue 139 January 2020

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YOUR PROPERTY NETWORK

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... IN JUST 2 DEALS

... WHEN STARTING WITH NOTHING

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WELCOME TO YPN!

Happy New Year!

I hope you've enjoyed a wonderful and relaxing festive break, and have set out plans to move your property investing and businesses forward during 2020. I'm deliberately using the word "plans" rather than "resolutions" because I think it carries a bit more resonance. Resolutions have a reputation of getting broken by the end of January after all, whereas plans – well, they're crafted, actionable and render you more accountable.

With the coming year and new decade in mind, we've put together an issue that's jam packed full of inspiration, important updates and lots and lots of case studies. In particular, the investors in our feature on replacing your salary with property income prove that it is possible to make a massive change in your life – maybe in less time than you might at first think.

While it is possible to make big changes relatively quickly when you commit to making property work for you, it does come with a caveat – property investing is not a get-rich -quick strategy. GRQ implies big returns without putting much in by way of time, money or effort. Anyone in property who's been around the block a few times will tell you that you need to put in the effort and some time (money helps, but there are strategies you can adopt if you haven't got much to start with), but the rewards for those who stay the distance are **HUGE**. Not just in terms of wealth; more importantly, you will get back control over your life and the freedom to live on your own terms.

On that note, may we wish you a very healthy, prosperous and successful 2020!

The YPN Team

FEATURES

BEGINNERS

DEVELOPMENT & REFURB

INVESTING

FINANCE

LANDLORD

EDUCATION

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READY FOR PASTURES NEW IN 2020?

COULD YOU REPLACE YOUR SALARY AND CREATE A NEW WAY OF LIFE THIS YEAR?

This is a time of year when lots of people question their priorities. The Christmas/New Year break – or lack of one – can lead to an evaluation of where we are in life and many decide it's time for pastures new.

I speak from experience here, as this is what happened to myself and The Other Half several years ago. A Christmas break led to a decision to quit the South East for a different type and pace of life – which brought us to property investing a couple of years later. A life-changing decision with wide-ranging consequences, made on an afternoon walk at the end of December.

Life-changing decisions almost always start with a sense of something not being right, leading to the desire for a change. But while desires and dreams are easy, turning them into reality takes guts, determination … and a plan.

Hundreds, if not thousands, of people will go into 2020 with a dream of quitting their job for a life with more freedom and control. This dream leads many to property, but the drop-dead reality is that the job provides a salary that pays the bills and supports the lifestyle they have got used to. For the dream to become reality, therefore, that salary has to be replaced – and ideally exceeded to make the change worthwhile.

So let's take a practical look at this question: **how easy is it really to replace your salary through property? And how long will it take?** Is it a matter of years … or months?

There's no definitive answer because **a)** it's going to depend on your current salary, and **b)** your personal circumstances. Someone with a family and home to support will need a higher replacement income and will be cautious about how they secure it, to minimise the financial impact on lifestyle. Whereas a single person with fewer commitments might find it easier to cut back on expenses and live on less so they can cover the financial basics through property more quickly.

The sensible approach is to aim to sustainably replace essential living costs first, and then build on that foundation. However, if you're desperate to get out of your job, it's a good idea to have a buffer in the form of either a pot of cash to support you through the first few months, or enough cash flow to cover the necessities.

Some of you may even be a bit sceptical about whether it's actually possible. In recent years, the message that property leads to freedom and wealth has attracted some bad press. Property investing is definitely not a get-rich-quick scheme. But by treating it as a business from the start, going into it with knowledge, creating a plan and putting in some time and effort, you have the potential to turn it into something that supports a far more flexible, lucrative and satisfying way of life.

And it may not take as long as you think! If you're prepared to really focus to find the right properties, strike the deals and establish the cashflow, you might be able to hand in your notice sooner rather than later. What is absolutely true is that a selection of people from all walks of life, at all ages and with a wide range of life circumstances, have succeeded in doing exactly that.

Be inspired by the investors in this feature who have already done it! Take time now to plan for a positive change in your life in 2020!

Jayne

2 DEALS TO REPLACE MONTHLY INCOME OF £1,600

EX-FIREFIGHTER IAN MCBAIN JUNIOR TELLS US HOW HE REPLACED HIS INCOME AND SECURED HIS RETIREMENT IN JUST 11 MONTHS.

Interview & Words: **Heidi Moment**

Being a firefighter is a great job that used to come with a great retirement package. When Ian first joined the service, the retirement age was 50 and the commutation (take home pay after retirement) was £1,100 per month, plus a lump sum. Over time Ian saw the age increase to 55, and then 60 and the commutation reduce to a measly £700. This sizeable change, and knowing they could reduce it even further at the drop of a hat, made Ian fearful of the future and he started thinking he needed something else to rely on.

When an unfortunate skiing accident left him with a smashed-in shoulder and unable to continue, Lady Luck floated in and brought him something of a revelation in the form of a book given to him by his physiotherapist. The book turned out to be one many of us in the industry are familiar with – Rich Dad, Poor Dad by Robert Kiyosaki. The book opened his eyes to what was achievable, and that's when he turned his attention to property investing, developing a thirst for property books and courses that would help him to make the dream a reality.

Ian's salary at the time gave him £1,600 a month, net, so he was looking to make at least this from property and he started investigating strategies that would allow him to do that quickly. As a landlord of two single lets already, Ian calculated he would need ten more of the same to replace his salary. As he read more and learned more about the different strategies that were available, he realised it would take too long to get where he wanted using single lets alone, so he started looking at something that would bring in more money, more quickly.

FULL COMMITMENT

As a fan of Dragon's Den, Ian clearly remembers watching another fireman/entrepreneur who had designed a pair of running shoes. Although his product was great and he had the interest of all of the Dragons, when he said he was never going to quit his job as a fireman because *"it's a guaranteed job for life"* he quickly lost the Dragons' backing. His lack of commitment lost him their support and Ian learned a key lesson from this:

"If you're going to do something, you need to throw your weight behind it completely"

He decided there and then that he wasn't going to be a fireman by day and a property man by night. He was going to go for it by focusing on it completely. He was 39 at the time, nowhere near retirement age, so plenty of time to build up a solid business and prepare for his retirement properly.

Ian Senior, Lynsey & Ian Junior

RECOMMENDED BOOK LIST

As any savvy investor does, Ian started by reading loads of books to get into the right mindset and learn about the strategies. Here's his recommended reading list:

- **Robert Kiyosaki** – ***Rich Dad, Poor Dad***
- **Tony Robbins** – ***Awaken the Giant Within***
- **Michael Gerber** – ***The E-Myth***
- **Richard Koch** – ***The 80/20 Principle***

2 HMOs TO REPLACE INCOME

After doing a lot of research, reading books, going on courses and watching webinars, Ian became interested in HMOs. They bring in a much higher income and the great thing is they still cover their costs and make some profit even if they're not full. So you've always got a baseline to start off with every month.

> "Never have a business that starts from zero each month"

Ian worked out he could replace his income with just two HMOs, so that's what he set out to do. He knew HMOs were going to be more work, but time was of the essence and two HMOs was certainly a much better goal to achieve his target than ten single lets.

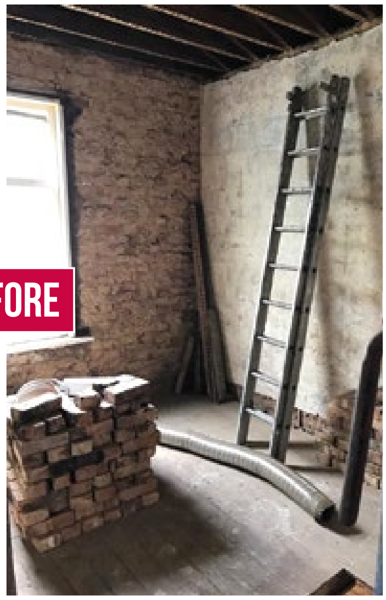
CASE STUDY 1

HAMLET HOUSE, WESTCLIFF ON SEA

Ian's father and business partner, also called Ian (Senior), had a good relationship with an agent he had previously bought a single let from, who approached him with an existing five-bed HMO. The landlord only had one year left on his interest-only mortgage and he was planning to move his family to Spain, so he needed to sell it. He had already sold it twice but had lost both buyers due to finance issues, so he was getting impatient and his motivation was high.

It was a traditional three-bed house, with two reception rooms. It was pretty big inside. It had a downstairs toilet, for the downstairs two rooms to share, and upstairs, the three rooms shared the communal bathroom. It was in desperate need of a makeover and Ian Senior managed to negotiate a price of £213,000, a significant reduction from the £240,000 asking price.

BEFORE

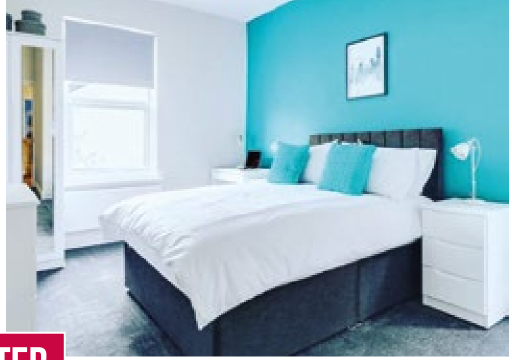


DEVELOPMENT

They bought it with five LHA (local housing association) tenants already living in, which both Ians admit was a huge mistake – one that went on to cause them ten painful months. First of all, the HMO Officer issued a C notice, which meant they needed to fix and replace certain items. This wasn't too much of a problem as they were planning to do a full refurbishment anyway. The real problems started when they tried to evict the tenants. Three of the five left straight away, but two of them decided to put roots down, which made it difficult for the father and son team to get on with their plans.

After doing further research into the reasons they were hanging on, it became clear that if they had left willingly they would have made themselves voluntarily homeless. As the local council's homeless list grows by the day, the rehousing list can be as long as your arm and the waiting time can be over a year. The tenants knew this, so they wanted to hang on and wait to be evicted, in a bid to get to the top of the housing list and get rehoused quickly.

It finally ended up in court, which cost a fair bit of money, but they were finally evicted and the team was glad to get the property back so they could put their plans into action. If they could turn back the clock they would have insisted on vacant possession on purchase. But we all live and learn. They'll know better for next time.



AFTER

With the help of sister Lynsey, they went on to refurbish the property, putting in en-suite bathrooms to each bedroom and creating a fantastic dining kitchen. The house was rewired, a new fire alarm installed and the water system upgraded to increase the water pressure. They plastered and repainted both internally and externally and turned this shabby unloved house into a shiny new home, ready for some new professional tenants. **Now full, this newly refurbished property makes a monthly profit of £1,550, which almost replaced Ian's salary in one fell swoop!** Good going, even despite the issues getting it up and running.

UNDERSTANDING THE MARKET

Since that first one, Ian and his team have firmed up their criteria by asking the important question, *"What does this town actually need?"* Understanding the demand in their local area enabled them to work out what they should be aiming for and who their target audience is. This way they're sure to future proof their business, as well as feeling confident they'll fill their rooms.

They now focus on professional tenants only, mainly young millennials. This age group are staying in the rented sector for longer these days. They want something special and they're willing to pay more money to get it.

Their tenants are typically between the ages of 25 to 40, from a variety of professional backgrounds, including doctors, nurses and dentists. With properties close to Southend airport they also attract pilots, cabin crew and Europeans moving into the UK for work.

The type of houses they look for are typically large Victorian houses or ex-council houses with big rooms and five or six bedrooms, close to hospitals, airports and town centres.

When converting a property they include:

- **Dining kitchen with sofa – communal space**
- **Convert downstairs reception rooms into bedrooms. No living room**
- **Well-designed colour schemes**
- **Well-fitting storage (underbed etc)**
- **Smart TVs in each bedroom (tenants get their own Netflix or Amazon Prime accounts)**
- **Smart TV in kitchen**
- **En-suite in each bedroom**
- **Upgrade the water supply, install mains powered showers and increase water pressure**
- **Furnish each room with a 'hotel' finish, including desk, table, chairs, sofas, USB plugs etc.**

They always aim to get all the cash out within 36 to 48 months following the uplift from the refurbishment.

"En-suite bedrooms let quicker and the turnover is lower"

RESEARCH ROOM RATES

Room rates vary depending on the size of room and range from £550 to £650.

"Always test rooms rates in your area"

Interestingly, one tip they'd like to pass on is to *"never believe what the agents tell you"*. On one of their HMOs an agent advised them to market the rooms at £550 each, but after doing some advert testing they realised there are plenty of people looking locally with much higher budgets. Against the advice of the agent they marketed at £650 and they filled the rooms without a problem. So the learning they've taken from that is to always test room rates prior to going to market to assess the current situation and get your price right.

CASE STUDY 2

BALMORAL ROAD, WESTCLIFF-ON-SEA

This property was controlled via an option agreement. They met the vendor through a business acquaintance and after some discussion agreed to pay his mortgage and bills which totalled £500 per month for 12 months. They borrowed £100,000 from an investor to carry out the refurb, then 11 months later they refinanced and paid the vendor out.

Works

- Full rewire, installation of smoke and heat detectors/alarms
- Installation of five en-suites and new plumbing throughout
- Internal reconfiguration of kitchen and downstairs toilet into large kitchen/diner
- Full replaster throughout
- Internal and external repaint

Numbers

- Open market value: **£295,000**
- Purchase price (incl. all costs): **£250,000**
- Refurbishment cost: **£100,000**
- End value post refurb: **£370,000**
- Monthly rental income: **£3,250**
- Monthly bills: **£1,800**
- Monthly profit: **£1,450**

KEEP IT IN THE FAMILY

Ian Junior isn't alone in his business. He works alongside his father, Ian Senior and Lynsey, his sister. It's a real family team and it works really well. They have split roles, which enable them to focus on their own roles and not get under each other's feet.

"Each week we have an IDS meeting to discuss **I**ssues, **D**iscuss, **S**olve"

Ian Junior – making deals happen, speaking to vendors, arranging all the finance, marketing.

Ian Senior – building relationships with agents, project management, dealing with architects and tradesmen etc.

Lynsey – interior designer and stylist, tenant management.

Each week they have what they call an IDS meeting – **I**ssues, **D**iscuss, and **S**olve. Ian says: *"This is the heartbeat of the business"* as it helps them to ensure everything runs smoothly. Naturally there are conflicts, but they support each other and work through any issues together. They're all working to their strengths and they're working towards a shared vision.

I QUIT

The day after deciding to get into property, Ian wrote his letter of resignation and taped it to his fridge door, so he would see it numerous times a day when he went to fridge for some food. This really helped to spur him on and every day, while he was eating breakfast he thought to himself, *"Yeah, I'm going to hand that in soon."* And he did … after just 11 months. Happy days.

"We were making a profit of £3,000 per month after just 11 months"

REPLACING ONE JOB WITH ANOTHER

Although the dive into building a property business has worked out well for Ian and his family, he's the first to admit property is not for the faint-hearted and it's not something he recommends jumping into in the hope that you can make a quick buck.

"It's far from that," he explains. *"You need to have confidence, tenacity and a lot of resilience. And you need to get support and guidance when you need it."*

Like any business it hasn't been easy and the learning curve has been steep. A lot of the training providers sell the idea that you can leave your job easily and replace your income with property. *"They make it sound so easy sometimes, but, in reality, it's really hard."* In effect, you are replacing your job, with another job – in property. And this can be hard, as Ian found during the first 12 months.

Going from being a firefighter to a property investor came with its own challenges. The skillsets required for the two jobs are very different and in the early days, with his head swimming with profit margins and proposals, Ian started to drown. Never one to be defeated, he enlisted the help of a business coach, Lucas, who helped him to navigate his way. One of his key teachings was around financial literacy: *"Numbers are the language of business so make sure you work everything out."* Learning how to apply this to not only ensure profitability but also to grow and scale has been a challenge, but one Ian has enjoyed.

Owning a couple of buy-to-lets and running a property business are two very different things, and this is something Ian feels other investors at the start of their journey should be mindful of, to make sure they go in with their eyes open and seek the right support to help them.

RAISING FINANCE

Financing your first deals can be a bit of a challenge and there can be a lot of head scratching and wondering what to do. Ian was very lucky with his first investor finance deal. It was on a ground floor flat he owned. He wanted to build an extension, so he approached the son of the elderly lady who lived upstairs, to see if they'd be interested in having an extra room too. Fortunately, the son thought it was a great idea and after a few discussions he offered to put up the funds to do it. This opened Ian's eyes to how easy getting finance could actually be, if you know what you're doing.

Nowadays he raises a lot of investment from social media, by showcasing his property portfolio. He also goes to a lot of networking meetings and events, and meets a lot of people, many of whom he goes on to work with in some capacity. He says: *"Structuring the finance is all about finding out what the investor wants and giving it to them".*

ESTUARY
LIVING

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RETIREMENT?

In 2011 Ian's main aim was to fund his retirement in the future, now seven years later, retirement is still a way off. He is already earning way more than he was as a firefighter and you won't be surprised to hear he has no immediate plans to retire. Instead he has changed his goals and is moved his business forward. He loves doing deals and creating fabulous homes for his tenants. Having tenants saying things like: *"This is the best house I've ever lived in and you're the best landlord I've had"* is a really good feeling, and one Ian and his family are keen to continue.

"You're only in a race with yourself"

The aim now is to get to one hundred HMO rooms, so he's planning to buy or convert another half a dozen properties. But there's no rush. As Ian explains: *"I've always been a great advocate in slow and steady wins the race. So I won't overstretch myself financially and I want to make sure we all stay sane."* Great advice from the man who replaced his income in just two deals!

GET IN TOUCH

Website: **estuary-living.co.uk** or **ianmcbain.co.uk**

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MY JOB WAS HOLDING ME BACK

WHY CHRIS PEEL QUIT BEFORE REPLACING HIS SALARY

When I decided to make the journey into property, I had no idea how powerful an investment it would be. My idea of property investing had always been the vanilla buy-to-let approach, banking just a couple of hundred pounds per month in profits.

I never imagined for a second I'd be able to create a portfolio of (at the time of writing) 59 properties, and create a lifestyle that would allow me to take three months to travel for my honeymoon … and help other people to do the same.

Right now, I'm writing this while sat in my wife's family home in Slovakia. I've spent the day checking up on a refurb we have going on in a property set in the most beautiful mountain scenery you can possibly imagine.

But it hasn't always been this way. Let me take you back and tell you about my escape from the corporate rat race I was stuck in, how I achieved financial freedom in just a couple of months through property, and how you can do it too.

WORK HARD, CLIMB THE LADDER …

When I was younger, I was convinced that success in life meant working hard for a prestigious organisation and climbing the corporate ladder to the top. Fresh out of university with a business masters tucked under my arm, I landed a graduate position at Jaguar Land Rover.

After three years of admittedly interesting work with them, I was headhunted by a recruiter for a position at PwC – one of the biggest consulting, audit and accountancy firms in the world. In my books, it didn't come much more prestigious than that, and I leapt at the opportunity.

I had always dreamt of being a consultant, but unfortunately it wasn't what I expected at all.

Six weeks into my first project, which involved renegotiating the fleet maintenance contract for a large British police force, I was asked by the client to leave the project because I had literally no idea what I was doing. I was then sent to a struggling city council to analyse their budget and spend and then help them implement savings – in other words, make half the people redundant.

I apparently did a good job and was given a prestigious project for a large defence company to do something similar. This time I had the thrilling job of analysing their transport spend and helping them optimise it. It is nowhere near as interesting as it sounds, and let's face it, it doesn't even sound interesting.

The work involved months and months of spreadsheets and PowerPoint presentations. I actually looked forward to mixing things up with some MS Word, if you can imagine that!

Now look, I don't want to sound ungrateful for what was a job a lot of people would aspire to, and it was pretty good money by my perceptions of what good money was at the time, but it just wasn't fulfilling. I wasn't excited to get up on a Monday. Quite the opposite. I felt overworked and under-appreciated. I'm sure it's something we've all felt at some point.

So, I decided I had to make a change.

A STRATEGY FOR CREATING CASHFLOW – QUICKLY

I had recently read *Rich Dad Poor Dad* by Robert Kiyosaki, and it inspired me to start accumulating assets to get out of my job. In January 2016, I made the commitment to myself to get out of work by investing in property, and in just eight months it became a reality.

This would never have been possible working with just a BTL strategy. It would have taken me years to save a deposit, get a mortgage, buy a property and save up for the next one. I needed something with more power to create cashflow quickly, and that's when I discovered the rent-to-rent strategy and serviced accommodation. Being able to control a property without having to buy it from the owner was game changing. It meant I didn't have to save up to buy each property, but instead could get into each for little to no cost.

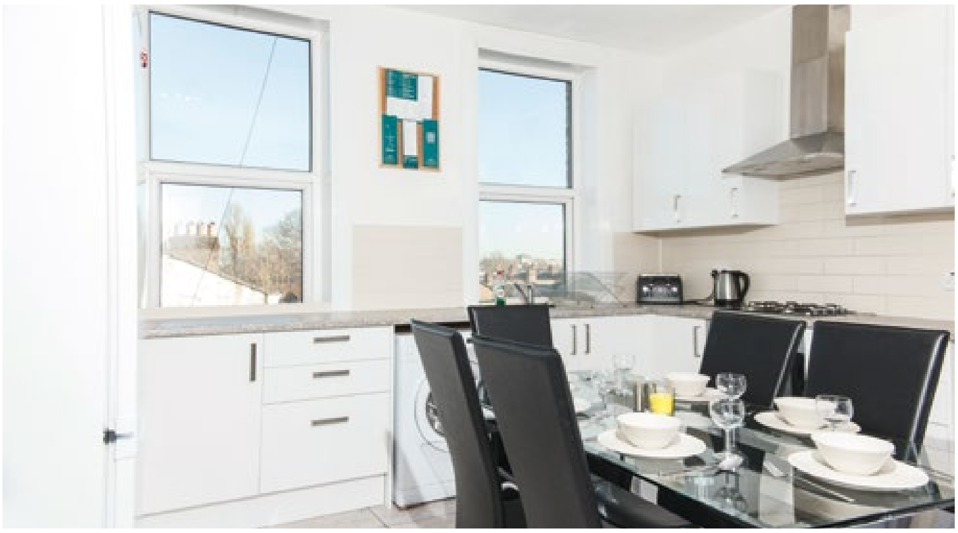
> But what next? Obviously leasing a property isn't much use if I'm just going to rent it back out at the same or a slightly increased price. So I used serviced accommodation to increase the monthly income from each property.

The first deal I ever did was a three-bedroom property in North London. I created a joint venture with the landlord, who I'd met at a networking event. We agreed that he would complete a small refurb and provide the property, and I would manage all the elements of the serviced accommodation operations. We'd then share the profits. Because this was a joint venture it was literally a no-money-down deal. Not a penny of my money went into that property (apart from the cost of dinner) so don't ever let anyone tell you no-money-down property deals aren't real!

To see the numbers from this deal, check out case study #1:

CASE STUDY 1

Owner's investment in refurb:	**£10,000**
My investment:	**£50 (paying for dinner)**
Nightly rate:	**£120**
Occupancy:	**80%**
Average monthly income:	**£3,060**
Running costs:	**£1,504**
Profit:	**£1,556**
My 30% share of profit:	**£622**



JUGGLING PROPERTY WITH CORPORATE LIFE

One of the things I often get asked is how I had the time to set up the apartment while I was working away. By this time, I had committed to myself that I was going to be out of work that year, so I did whatever it took. I used one week of my holiday allowance to get the work done.

I often have conversations with people who aren't prepared to take time from their holiday allowance to work on themselves or their business. They're scared to use their allowance, because they only get a certain number per year, and by doing so they're completely missing the bigger picture. If they get this business right, they will never need to ask someone's permission for a day off ever again!

I started running this apartment alongside my job at PwC. I had installed lock boxes at the property to make sure I'd never need to physically be there for checking guests in. This was important to me, because the property wasn't somewhere that I could easily get to. In fact, one of the biggest challenges with this place was that guests kept getting lost trying to find it. I often spent time on the phone explaining directions. (These days, I record videos from the nearest tube station showing the exact route, with sign posts and voice narration, and upload them to YouTube. The link is sent to guests with their check-in instructions.)

With my first property deal under my belt, although it wasn't earning life-changing sums of money, I was earning 100% profit as I had no up-front costs. Also, I say it wasn't a life-changing sum, it's not often in a job you get a £700 per month pay rise after a few weeks trying to get it.

The first deal is always the hardest. You do most of your growth, learning and acceptance of rejection in that first deal, and the next ones become easier. Sure enough, the landlord I was working with on this first property, went on to offer me three more of his properties.

The second deal was a two-bedroom apartment in Bayswater, and it came along just a month after we got the first property going. The owner didn't have the funds to cover a refurb this time round so we went for a rent-to-rent option. My then girlfriend, now wife, and I decided that we'd do it ourselves to save money as we didn't have much back then.

I was now sure of my direction of travel, and the fact that property was to be my route out of the corporate world. I had no holiday days left, so I pulled a sickie for a week and spent the time painting, decorating and building flat pack furniture. It was during this property's set up that I realised just how much I hated Ikea. It is truly the place of nightmares!

We would work on the flat all day and sleep in it overnight ready to get started again the next day. After about spending £200 on decorating materials and a couple of grand on some new furniture and dressings, we were up and running. I couldn't believe how quickly this one filled itself. Thanks to the effort we'd put into the decoration and its central position, the bookings started to roll in. See case study 2 for what we managed to make from this one.

One big tip I'd give anyone looking to work on this strategy is to never become over-dependent on a single source of bookings. Get as wide a reach for your marketing as you possibly can, so you're never short of bookings.

CASE STUDY 2

My investment:	**£2,200**	Average monthly income:	**£5,525**	Rent to landlord:
Nightly rate:	**£220**	Running costs:	**£1,500**	**£2,400**
Occupancy:	**85%**	Profit per month:	**£1,625**	

To fund this property, I used some of the money I'd saved from my job and the first £700 profit from the first deal. This was also the first property we worked with Booking.com on, having previously only used Airbnb for our marketing. (Today, we advertise our properties on over 350 sites and have built an in-house sales function to generate direct bookings for ours and our clients' serviced apartments we manage.)

SWITCHING PRIORITIES

During this period I didn't want anyone at work to know what I was up to. It's a common objection from many others too. There's often a sense of not wanting to tell people what you're doing just in case it doesn't work out and you have to return to your job. Then there's the concern that people won't get it, and will think you're being stupid for trying something new.

You might hear things like: *"what are you wasting your time with that sort of thing for?"* or *"what makes you think you could do something like that?"* How do I know? Because I felt exactly the same at that stage too! But when I realised that I no longer had any interest in being promoted, people's opinion of me at work meant nothing anymore.

I COULDN'T AFFORD TO STAY IN MY JOB!

So I started telling everyone what I was doing, and I mean everyone! I would go out of my way to steer conversations towards property and it brought about the most amazing results. After my first two deals, I had a moment where I compared my post-tax monthly earnings of about £2,400 from around 70 hours per week of work, to my £1,700 per month from a couple of hours of work in property. I decided that even though I hadn't replaced my salary from property, being in employment was costing me big time, as it was preventing me from using my 70 hours per week to focus on property where I was earning far more per hour.

Handing in my notice was when it really hit home how important it is to scream about what you're doing. I remember heading up to the partner's suite on the top floor of the building for a meeting with Michael, my big boss. He invited me in and we sat down. I explained my situation to him and how I couldn't afford to stay in the job any more, and although he tried to persuade me to stay with a fast-tracked promotion into junior management, it just wasn't something I was interested in anymore. I wanted the freedom that comes with owning your own business.

After a short meeting, he wished me well and just as I was leaving he mentioned he had a property a couple of streets away from the office that he wanted me to have a look at. If I hadn't told him my plans through fear of judgement or shame, I would never have had the opportunity to take on a three-bedroom penthouse apartment in Central London.

I didn't end up taking on this property as the building lease prohibited serviced apartments, but opportunities springing from serendipity like that come up all over the place. But they can only show themselves if people know what you do.

MANAGING THE TRANSITION FROM CORPORATE TO PROPERTY

From that day, we started doing a new property deal each month until I had 25 apartments around London. As I went along, I added systems to the business and started extracting myself from the operations as much as possible. It's an important step, and one that can easily be missed/done incorrectly, leading to either a well-paid full-time job or complete and utter overwhelm. So I bought some management software with a lot of automation features and hired a customer service team to get me off the phone.

I decided that I needed to diversify as I was totally dependent on a single strategy in a single geographical market. I'd gotten pretty good at sourcing, but didn't want to be back managing properties again … it's just not my area of interest. Because I'm great at sourcing and raising finance, I wanted to find a partner who was good at the management. Around this time, I met Toby. He was in the business of car rentals but was keen to be doing something else. We launched a JV HMO business where I put in or raised the funds and helped to source and set up the properties, and Toby ran all the operations and helped with set up.

Today at the time of writing, we're negotiating on a 15-bedroom rent-to-rent property that we're going to be converting to a 17-bedroom HMO. According to our pretty conservative figures, it will bring us around £3,000 profit per month. Alongside my work with Toby, I've grown another three rent-to-rent property businesses (one of which has been sold now), and have launched a property training business with the goal of helping other people follow my path out of the corporate world into a life of financial freedom.

There really is no better feeling than seeing people I have trained and mentored reporting back the deals they have done and how much it's going to be earning. I absolutely love what I do. I feel confident that without the rent-to-rent strategy, I wouldn't have been able to grow as quickly as I have.

CONTACT

If you'd like regular, implementable tips from within my property business then make sure to follow me on:

Facebook **@chrispeelproperty / Property Abundance Community group**

Instagram **@chrispeelproperty**

Linkedin **Chris Peel**

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

To find it, simply search Your PropertyPodcast episode 23 in your podcast app or on Soundcloud.

£60k Profit in 8 Weeks

Meet Nadia from Sourced East London

(Photo: Nadia Khan – Sourced East London Franchisee with Chris Kirkwood – Sourced Director)

Nadia Khan quit her job as a tax accountant to start her own property business with Sourced Franchise and she hasn't looked back. Within the first few months of joining Sourced, she secured and completed an assisted sale deal, which generated a huge profit of £60,000!

Nadia wanted to devote more time to raising her daughter, while providing a financially stable future for them both. After looking at her options, Sourced provided the most viable solution for her situation.

Having provided tax services to many clients from the property industry, Nadia was aware of how rewarding bricks and mortar investments can be. What she was lacking though, was the knowledge about the variety of property strategies available and she needed guidance to get started.

> I quit my job and wanted to start working for myself. Sourced seemed like the perfect solution for me.

Not only does Sourced Franchise provide training throughout your property journey, but you would also be invited to regular events and get access to ongoing support – all to make sure you succeed.

So, what is assisted sale and how did Nadia manage to generate a £60k profit in such a short amount of time?

The assisted sale property strategy creates a win-win situation for all parties involved. Nadia came across a property that was a perfect fit – unloved and in need of a refurb, the property had been on the market for a long time without any success.

Together with her JV partner, Nadia refurbished the property throughout to generate a huge uplift in value.

By doing so, the house has become much more desirable and sold within a week – generating a substantial profit, while providing a faster sale and income for the vendor.

Nadia says:

"I was working 12-13 hours a day, sometimes more during busy periods and I feel like I missed out on a lot of my 9-year-old daughter's childhood. I quit my job and wanted to start working for myself – that's when I came across Sourced.

The Franchise seemed like the perfect solution for me, because I was interested in property and it was giving me the freedom of working around my daughter.

The training covered all property strategies and the support has been fantastic in terms of always having someone on the other side of the phone."

WHEN 2 R2R DEALS EXCEED NET MONTHLY INCOME, IT'S TIME TO THINK AGAIN ABOUT YOUR JOB!

IT ALL STARTED WITH A COFFEE ...

Interview & Words: **Raj Beri**

Driven by his passion to start a business and also travel, Callum Clark stumbled across property investment as a way of achieving both. Although he enjoyed his day job as an electrical engineer, he recognised it wasn't going to service his passion for travel, so he embarked on learning more about property. He started to implement the knowledge, developed a close relationship with a mentor who eventually became his business partner, got sidetracked from his passion and then managed to realign. In this article, Callum shares his journey to financial freedom.

YPN: Tell us about your background before you became interested in the world of property.

Callum: Although I followed the common route of school and then university, I'd wanted to run my own business from early on. My dad did encourage me to follow my entrepreneurial spirit, but suggested that I first go to university and get a degree so that I had something to fall back on. I studied engineering as I had been advised that engineers earn a good salary; I chose the electrical discipline and graduated as an electrical and electronic engineer. I still had aspirations to run my own business, but wasn't sure which type of business that would be. Having graduated, I went travelling for a few months as it's a huge passion of mine. I became very envious of the people I met; some of whom had been travelling for a number of years! At the same time, I did wonder what these people would have to look forward to when their money ran out – eventually I returned home and continued with my day job as an engineer.

My skill set is systemisation and one of my roles as an engineer was to visit data centres we had contracts with, to assess their working practices by collecting lots of data. This was followed by analysing the data and making suggestions of how they could become more cost effective, energy efficient and resilient. I actually ended up systemising the way in which the company analysed data and created client reports, thereby allowing less experienced graduates to complete this work, which resulted in more profit for the company. This just reinforced my mindset that if I repeated this type of efficiency in my own business, I would create more money and have more time to do the things that I wanted to do.

YPN: What led to your interest in becoming a property investor?

Callum: I had been receiving emails from a property training company but had just filed them away, even though the content did pique some interest. The initial turning point came when I was cycling into work early one day in the pouring rain. As I entered our office, I came across one of the company's senior electrical design engineers and we got chatting. After he moaned about the job for a while, he shared that he had been with the company 10 or so years and how his salary had progressed. Once again, I was overcome with a feeling of *"I don't want to be here in 15 years' time moaning about the work, cycling in the rain etc."*

I sat at my desk and opened up the folder with the property emails I had been receiving, and these talked about financial freedom, living life on your own terms and spending more time with family.

YPN: How did you acquire and apply the knowledge of property investing and still continue with your 9-5 job?

YPN: The emails piqued my interest enough for me to start looking into property more and attended one of those three-day courses where they give you an overview of each strategy, and then try and sell you another course. Wary of this

happening, I actually left all of my bank cards in my hotel room. One of the strategies they taught was HMOs, which I could appreciate as I had lived in a shared house during my student days. I began to realise that it was a great model for cashflow and equity, and could work very well for me. Although I hated the selling, learning more about HMOs through proper training made sense, so my credit card was no longer safe in the hotel room and I booked onto their HMO training course!

I felt that the training still had too much missing to enable me to take action immediately, but I did learn a lot of the theory and terminology. As a newbie I discovered concepts like "your goldmine area" but needed to find out more. I actually found my council to be very helpful when I called them and said I was thinking of setting up an HMO. Encouraged by the help I received, I developed a routine of waking up at around three o'clock in the morning to do property research. This was followed by a full day of work and making calls to agents during the lunch break. Doing viewings became the next stumbling block but I was able to negotiate flexible working and finished early to do viewings in the evening, before the agents closed. I firmly believe that if you truly want something, you'll find a way.

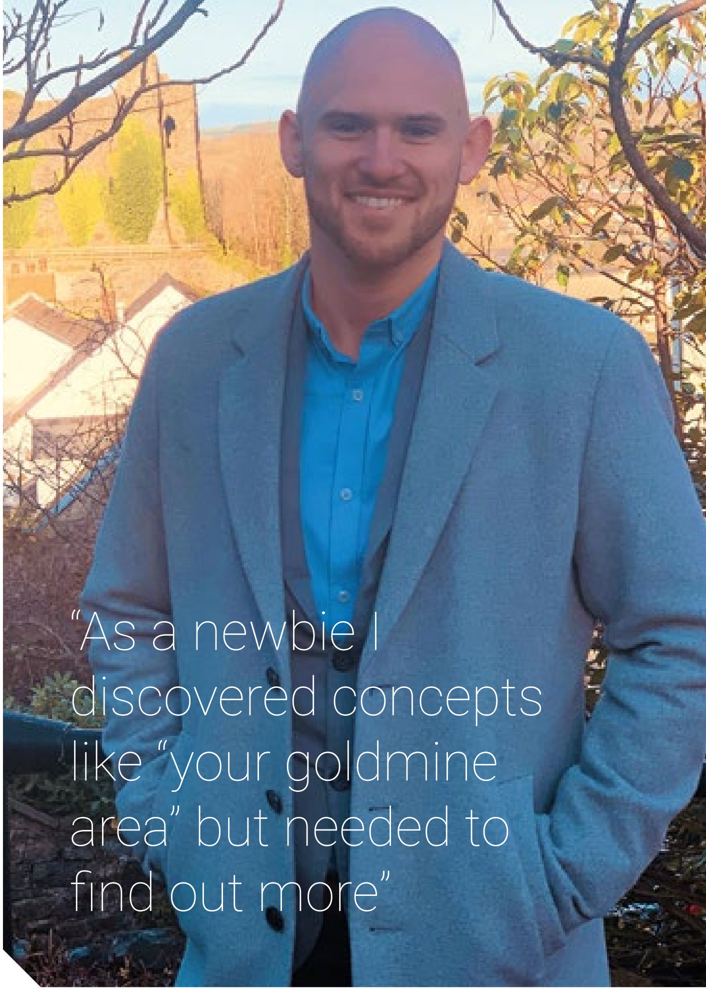
YPN: Your first deal came from a property mentor you connected with – tell us more about that.

Callum: At the same time as I was following my routine, I was also reading YPN and one issue featured Mark Beal who I came to learn lived really close to my dad. I contacted Mark via Facebook and asked him whether we could meet for a pint when I next visited my dad. He agreed to meet and we had a great conversation where I discovered that he was a R2R expert and had hundreds of properties throughout the UK. I really looked up to Mark and he eventually became my mentor. One thing I did learn was that Mark's focus was very much on the lucrative corporate housing model, to a point where his residential lettings business was being overlooked somewhat.

I came to learn that two of his HMOs in Cardiff were empty and after the meeting, I began to think about how I could add value to his business. I was able to do some research on the Cardiff market and having also spoken to his team, I suggested to Mark that he could achieve higher rents and occupancy than he was getting. He was going away on holiday with his family and agreed to me picking up the keys and seeing what I could do.

The two HMOs were in decent condition so I put an advert on SpareRoom to test the market and also decided to charge an administration fee. Having checked what other agents were charging, I opted for £175 – within two weeks, I managed to fill all the rooms and at a higher rent than Mark was getting. The income I generated in those two weeks exceeded the monthly net income from my job. I think I was able to achieve this outcome because I was very focused on the HMOs, whereas his team's focus was very much on the more lucrative corporate housing model.

Having succeeded on this first task, I really had no idea what Mark was going to say when he returned from holiday – was he going to just congratulate me, thank me for the increased rent and admin fee, give me a pat on the back and just say *"thanks, you're going to do great in property, off you go"*?



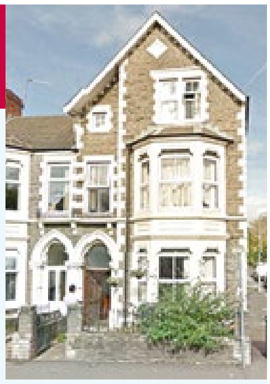
Either way, the experience was all I really wanted at the time and money was second in line.

YPN: How did the relationship with your mentor develop and led you to giving up the day job?

Callum: When Mark returned from his holiday, we arranged to meet up in his office and we started to discuss whether there were ways we could work together. It was a powerful moment for me and still gives me goose pimples when I think back, because I pulled out the envelope containing all the cash I had collected by renting out the 15 rooms (rental income and admin fees) and said *"does this help your decision"?* I suggested that he keep all the rent and let me keep the admin fee. He agreed and was very impressed with what I had achieved but was more impressed by the honesty I had shown by declaring all the money I had collected. It later materialised that it was my honesty that led him to working with me as a business partner due to the high level of trust that built up so quickly.

We initially reached an agreement that I would continue to manage the two HMOs and would take half the profit. This was four years ago but I began to appreciate the profit I could make with property and how many properties I would need to match my salary and be able to leave work.

CASE STUDY 1



CATHAYS, CARDIFF

Brief Description

7-bed rent-to-rent/rent-to-HMO end-terrace - Landlord performed full refurbishment before taking on tenancy.

Deposit to Landlord:	**£1,100**
Gross Rent:	**£2,950**
Monthly Lease payment:	**£1,100**
Bills:	**£735.00**
Maintenance:	**£148 (mostly covered by landlord)**
Voids:	**£245**
Net Profit (pcm):	**£722**

CASE STUDY 2

ADAMSDOWN, CARDIFF

Brief Description

House purchased and converted to HMO.

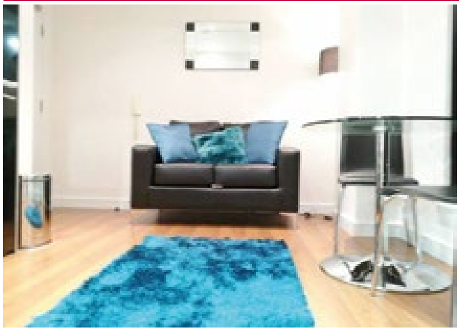
Purchase price:	**£149,000**
Legals, Deposit, Refurbishment:	**£11,500**
Cash in:	**£80,000 (investor money to cover deposit, refurb, furnishing, legals etc)**
Cash left in:	**£80,000 (request by investor: cashflow and equity to be shared if property sold)**
Estimated end value:	**£170,000 - £175,000 (current value)**
Gross rent pm:	**£2,150**
Mortgage:	**£392**
Bills:	**£525**
Maintenance:	**£215**
Voids:	**£179**
Net profit pm:	**£839**

BEFORE

AFTER

The course I attended focused on HMO investments and not R2R and part of my vision board was not just to leave work, but also to help certain family members with retirement, so anything I could learn and apply around HMOs would be of great benefit all-round. The R2Rs and support from my mentor was providing great experience in an investment strategy I would be focusing on. I began to appreciate that HMOs did work in Cardiff even though other investors were saying otherwise.

CASE STUDY 3



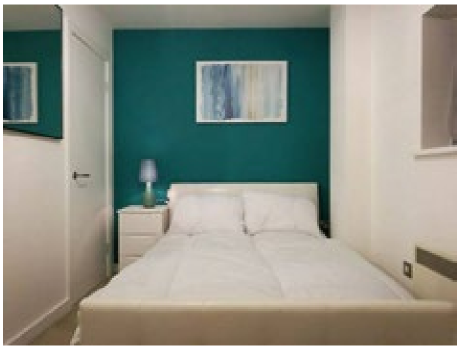
CARDIFF BAY, CARDIFF

Brief Description

Corporate Housing Client.

Rent to Corporate SA.

Gross rent:	**£1,871**
Lease:	**£600**
Bills:	**£295**
Purchases:	**£19**
Maintenance:	**£0**
Net Profit:	**£957 (51% Margin – norm is around 20 - 28%)**



YPN: Tell us more about your first HMO purchase and how that came about.

Callum: I started to do some due diligence and found a property in Cardiff that I thought could work as an HMO. Again, I was being told it wouldn't work but my own research and gut feeling was telling me that it would, so I had to filter out the good information from the bad. The training also covered raising funds from other people and I absolutely needed funds for my first purchase. I discussed the figures with members of my family and having seen the extensive research I had done, one of them said they would be very interested.

I therefore used their funds for the deposit, legals and refurbishment but structured it in such a way that when I got the mortgage, I ended up with a surplus of £15,000 in my own bank account. The investor had put £80,000 into the deal and just wanted to keep it there for a share of the profits. We have an agreement that if the property is sold in the future, they will get their £80K first and then a 50:50 share of any equity. This is the type of agreement I will continue to have with my family, as I genuinely want to help them. With other investors, I would usually utilise their cash on a loan basis for a fixed return, although I do treat each deal and investor individually, listening to what they want/need, then thinking about how I can provide that.

> "We have a lot of corporate clients who operate throughout Europe including the UK"

YPN: How has your property business developed over time to help you achieve financial freedom and the ability to give up your day job?

Callum: Once I had the HMOs up and running, it soon became clear that I couldn't do the day-to-day management and travel, which was my reason for becoming a property entrepreneur. A combination of being too tight to pay a managing agent and Mark being a visionary, led to us agreeing to set up a lettings business. We already had experience of property management so we thought we should set up a letting agency, get it systemised, put staff in – job done, easy! Or so we thought. The other benefit of this type of business was that we'd make more contact with investors, landlords and spot more opportunities.

It did (and still does) provide a lot of additional opportunities and we even managed to expand the lettings business and sell it as a brand licence, servicing 15 cities around the UK. However, it soon became a monster. We had not only set up our own letting agency, but we were helping train others to set up the same brand. It was a lot of hard work and I lost sight of why I was doing property.

Just focusing on my own investments, I had the £15,000 in the bank and I was getting income from a few different sources including the two R2Rs, the lettings business and I was also a partner in The Intelligent Property Academy training business, so I was in a good place to hand in my resignation. The whole incident of handing in my resignation was an interesting one. One day I was listening to Tony Robbins (with his rendition of "BURN THOSE BOATS!") whilst at work and felt motivated, driven and courageous enough to tender my resignation. I walked towards the director, then straight past and into a toilet cubicle, then plucked up the courage and ... walked past him again and sat down at my desk!

Though I was shaking and sweating, I finally managed to sit with him and a project manager and explain that I wanted to resign and focus on my own business of property investing. They encouraged me to stay and advised me that I was on route to be promoted again. At the same time, they admitted that they had some suspicions that I was doing something else. I went onto to explain in detail what my plans were, how I was using investor money and almost did an investor sales pitch to them – who knows, they may even become investors one day!

YPN: What frustrations have you faced whilst transitioning from the day job to being a full-time property investor and how have you overcome them?

Callum: With everything that was going on, I started to become overwhelmed and feel worn out. The drive and hunger were huge initially, but I'd lost that motivation and was starting to feel fed up, especially with our lettings business which wasn't really making money. The franchise business did OK, but in some cases, we just didn't have the right commitment from the franchisees or we just weren't the right fit for each other. This led us to reassess the situation and we felt that we should focus more on the SA side of the business, which fitted well with the corporate housing business, which has been operating for more than a decade.

As well as acquiring stock for SA, we could also manage SA units as this provided a much higher management fee than normal rentals. In addition, it would be an easier business to grow as Mark had already systemised it all. We ended up bringing together the lettings, the corporate housing and the SA business and we formed a formal business partnership now known as Stay Central Corporate, Residential and Leisure. Although the lettings business has now been downsized significantly, it still continues to bring opportunities outside of the core lettings operation.

YPN: Looking ahead, what business plan will allow you to combine property investment with your desire/passion to travel?

Callum: We have a lot of corporate clients who operate throughout Europe including the UK. Some of our corporate clients and investors in Sweden were struggling with obtaining accommodation in Sweden, so I flew out there to learn more about the country, its regulations and to discover what they, the clients, were looking to achieve.

I've managed to marry up the investors with the corporate clients by sharing our experience and knowledge, and to help grow the model out there. I am now using my skill set of analysis, systems and procedures, together with our experience, to scale even further in Sweden. The model is progressing very well and it allows me to combine work with my passion for travelling, as I've also managed to travel to other European countries. Recently, we've also taken on a chateau in the south of France as a R2SA to create a lifestyle business which is a model we're hoping to grow. It can be rented out in its entirety and we'll be running events there, so not only will it produce an income but also a lifestyle as it can be used by me and my fiancé, or by my business partner and his family as holiday breaks.

Whilst this "lifestyle model" is completely new to us, the plan is for me and my fiancé to base ourselves at the chateau in France and set it up for various businesses. I can apply my skillsets of systemisation, analysis and processes to build a model that could be replicated throughout Europe and beyond. Importantly, it'll also allow me to further progress my passion for travelling, whilst growing the corporate housing element throughout Europe. During the last quarter, I've travelled to quite a few European countries and although it's work travel, I can combine it with longer stays to incorporate a leisure element. I'm really enjoying the travelling and really enjoying property once again – as my fiancé now also works in the business, she can also come to all these places and so can our dog who now has a passport!

Overall, we have more choice and freedom to go into a country, spend the time that we want to for leisure, do the business that we need to do, but enjoy doing that business and experience a different lifestyle. As the model expands, we may end up with different properties in different countries so more lifestyle travel will be possible. At some point we'll want to start a family so we've kept our house in a desirable area in Pembrokeshire and we'll be running it as a holiday let whilst we are away. The extra income from the holiday let will speed up the ability for further refurbishment work in our home.

CALLUM'S ADVICE FOR OTHERS

TIP 1 It's definitely not easy and you'll make many mistakes along the way – I probably made fewer than most as I was working with an experienced investor.

TIP 2 Start with the end in mind by setting your vision and then hold on to it **TIGHT!** It **WILL** get tough at times, with people suggesting you "stick to the day job" and so on.

TIP 3 If you choose to invest in some property training, do research on the trainers and ensure they have the knowledge and experience in the area of property that you're interested in and perhaps work on a project with them and share profits rather than paying up front (if that's an option).

TIP 4 Manage your cash by having different cash pots: one being a celebration pot to celebrate your property successes, a second being a security pot or cash buffer that you can access quickly if you need to and a third pot being a wealth/investment pot that you put money into regularly. A fourth pot could be a charity pot and that could be your giving back pot – in the past I have bought a bench for my nan's residential home and also given surplus money to people requesting money for charity on social media etc.

CONTACT

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This article is one of this month's Your Property Podcast interviews.

To find it, simply search Your Property Podcast episode 27 in your podcast app or on Soundcloud.

FROM BUSKING TO BOOTHS TO BTL

THE CHALLENGES OF STARTING OUT WITH VERY LITTLE MONEY

Interview & Words: **Angharad Owen**

My start in property was quite an interesting one. After graduating with a degree in medicinal chemistry, I got a job in the science industry. I didn't enjoy it, and as music had always been a hobby of mine, I decided to try and make a career out of it.

I ended up playing around the country, writing my own songs and even lived in Spain to perform at holiday resorts. I was on the radio too, but no number one albums, though. I managed to just about make a living out of it.

For ten years, I was singing at weddings, pubs and bars. I was a regular busker and a resident musician in all the local pubs around me throughout my 20s. But by the time I was in my 30s, I had a family. I didn't want to do gigs in the evening any more, because I knew I'd never see my kids. I needed to find a stable job so I started teaching music.

I was going through an emotional time. I was a bit lost career-wise and frustrated at teaching kids who didn't listen. I was suddenly facing the harsh reality that I was never going to be a touring rockstar.

It was around this time that I came across Robert Kiyosaki on YouTube, and he introduced the idea of different business styles and not needing to be an employee to make money. It hadn't occurred to me that it was even possible to make money in this way.

Off the back of my work singing at weddings, I set up a wedding services rental business, renting out photo booths and the like. I learned how to orchestrate the business — not only hiring the booths out, but getting people to man them too. I ended up earning a relatively passive income, so I started to look for other ways of creating an income from renting things out. I realised that property was the best way to do it.

Through the Facebook algorithm, I started seeing adverts for Robert Kiyosaki's seminars and events. I attended one and joined the property circuit. At this point, I knew that property was the way to go. It felt like the right time to set up a property future for my family, build something stable and not be reliant on a fly-by-night business.

THE BEGINNING

I bought my first property four years ago as a BTL. I tried to do it sensibly, so bought one that didn't need doing up, just so I could learn the process of buying and renting it out. I decided to take on a small project for my second property, to learn how to do a refurbishment. And it went from there. I eventually worked up to HMOs, and I suppose I'm still on the journey now. I'm looking at some bigger developments at the moment, but you can always go that one step further. I think I've done a lot in the time I've been doing it.

> "As the portfolio has grown, I've built supporting businesses around it with other members of staff and business partners."

I started by buying a BTL with no money, and now I have a lettings business, project management business and a sourcing business, on top of my own portfolio.

One of the things I realise about what I'm doing is that I was singing in the street for a few coppers, and I'm now overseeing millions of pounds' worth of financial transactions, just solely from my own activities. It's quite a change! It's benefited the local economy too. I employ a lot of tradesmen and contractors, and there are tens of thousands of pounds running through all the time. I did a calculation recently, and worked out that there was at least £3m of capital coming to the region I live in, all based on things that I've done. It can be anything from an investor in London buying a property facilitated by me, or the contractors who are paid to do the refurb. It's a lot more impactful than what I used to do in terms of the local economy, so it's quite rewarding and interesting to see how far I've come.

GETTING STARTED FINANCIALLY

It's difficult getting started for most people. How do you buy a property when you haven't got any money? It's not just about getting the deposit, because there are a lot of other risk factors involved with purchasing a house. I learned that I had to be prepared for much more than I thought.

When I was working on the wedding business, I started to get a bit of savings, but it wasn't anything special. And my first couple of deals were quite risky, because I used business loans and paid contractors on credit cards. It was a gamble, to be honest. I didn't have any money, but I threw myself into it and used the loans and credit cards to get going. It was a crazy way to do it.

I had attended a lot of the courses with various providers in the UK, and I learned as much as I could, which helped me a lot and I believe it was worth it. There's a lot of talk out there about how courses are pointless and everything can be found in a book, but I didn't feel like that. For me, it was money well spent.

Someone close to me lost £100,000 because of a property deal that went wrong. They didn't have access to property education and took bad advice from other people.

I didn't want that to happen to me and I didn't want to repeat those mistakes.

I needed to learn what to do and not take any stupid risks, because mistakes can cost a lot more than the price of a course.

The education paid off and the revaluation was exactly what I thought it would be. I got the money out and nothing was left in. It was mortgaged, but there was no remaining capital left in from me. It worked, and it's a good job it did. From there, I just repeated the process and reinvested the money and have gone on from there.

RINSE AND REPEAT

I've found that the best way to recycle funds is to find creative solutions. There's no way I could build a substantial portfolio by saving for every deposit. It could take years to just get a handful, and a handful doesn't change your life.

The philosophy I have to do it quicker is to use other means of finance ie, not using my own money. Cash is limited, and when it's all used up there's nothing more to do other than stop. I've developed good relationships with angel investors, and it's been a big lesson for me.

At first, I felt like I was asking someone to borrow money, but now that thought has been flipped on the head and I realise that I'm making them money. Even if they are not actively invovled, they're still getting paid. I commit to giving them the returns on their money that they couldn't get in a bank, and I need to work my socks off to find deals to enable me to offer this.

In order to grow, I think that both cashflow and capital are necessary. To get cash flowing, the main strategy is to buy and keep, and capital is the method of raising finance through earning, not loans. Flips are a good example of gaining capital. We also have the other businesses to generate revenue through sourcing and project management.

A big learning curve for me was realising that to buy a lot, I had to use other people's money, and in order to make that safe, I needed to be generating capital to pay it back or to pay down a deficit if money is left in deals.

People go on about the deals with all money in and all money out, where the refinance covers the cost. However in my experience, it's not that common and it's not possible to build an entire portfolio by buying this way. It's quite a complicated topic and I've mulled on it day in day out for years.

"I've found that the best way to recycle funds is to find creative solutions."

SUPPORT FROM FRIENDS AND FAMILY

When I first started out, I didn't tell anyone what I was doing for a long time. I didn't want to receive any advice from anyone else, because I wanted to do what I wanted, make my own decisions and I didn't want any influences. I didn't tell anyone I was attending classes or courses.

When I eventually told my wife, she was quite supportive. She didn't discourage me, but when I opened up to other family members, they were a lot more vocal saying that I needed to watch what I was doing because it was a risky business. I've won them over now, of course. It's not that they weren't supportive, they thought they were being supportive by offering advice.

CASE STUDY

2-BED BTL DARLINGTON

Type of property	2-bed terraced
Purchase price	£42,000
Open market value	£70,000
Purchase costs	£3,000
Funding method	Mortgage
Deposit paid	£10,500
Amount of funding	£31,500
Borrowing rate(s)	4%
Monthly mortgage/ funding payment	£105pcm
Total money in	**£45,000**
Personal money in	**£13,500**

COST OF WORKS

Project duration	8 weeks
Planning costs	£0
Planning duration	£0
Total costs	**£8,000**

VALUATION & INCOME

Post-works valuation	£70,000
Re-mortgage amount	£70,000
Rate	4%
Money back out	£52,500
Money left in	£500 but I had already received that in rent by the time of the valuation
Monthly income	£430
Monthly mortgage payment	£175
Monthly costs	£86
Net monthly cash flow:	£169
% Return on money left in:	Infinite

CASE STUDY

3-BED TERRACE FLIP DARLINGTON

Purchase price	£36,875
Open market value	£70,000
Purchase costs	£2,000
Funding method	Cash
Deposit paid	£36,875
Amount of funding	£36,875
Borrowing rate(s)	6%
Monthly mortgage/ funding payment	£184.40pcm
Total money in	**£36,875**
Personal money in	**£0**

COST OF WORKS

Project duration	**10 weeks**
Total costs	**£12,000**

VALUATION & INCOME

Post-works valuation	**£70,000**

IF SOLD

Sale price	**£70,000**
Profit	**£16,925**

BALANCING LIFE AND WORK

I've really struggled with finding a healthy balance recently. It's not all been rosy with property — it's been stressful at times and there have been a lot of challenges. It's a hard business to be in. It's quite a large-scale transactional business and there are tens of thousands, if not more, at risk so there's a lot of stress involved.

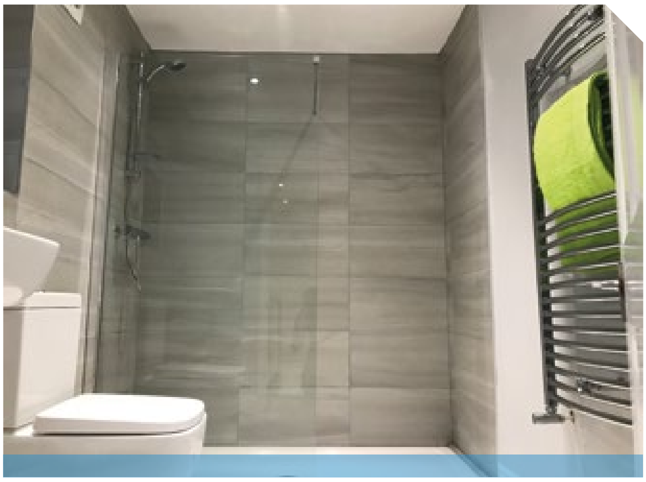
At first, the phone would follow me home and I didn't track the hours I was working. At one point I was working continuously and almost lost consciousness of what was going on. I got into a bad place on a personal level because of all the stress, but I've worked myself out of that. It wasn't easy, but I've definitely improved since then.

It's all part of growing and learning. I don't think you can take on a big business and a big endeavour and expect it to be a cakewalk. I've had to change my outlook and have had to learn to cope with it. I now have a work phone and a non-work phone, which was a big adjustment for me. I know it sounds simple, but it took me years to do it. It's nice to be able to switch off and not have notifications bothering me and potentially spoiling the weekend. It's something I would recommend to everyone.

Finding a work-life balance is difficult. I've been growing the business, but it's something I have got to get used to and try to improve with it. I think it's a natural part of growing a business, to be honest.

LOCATION AND STRATEGY

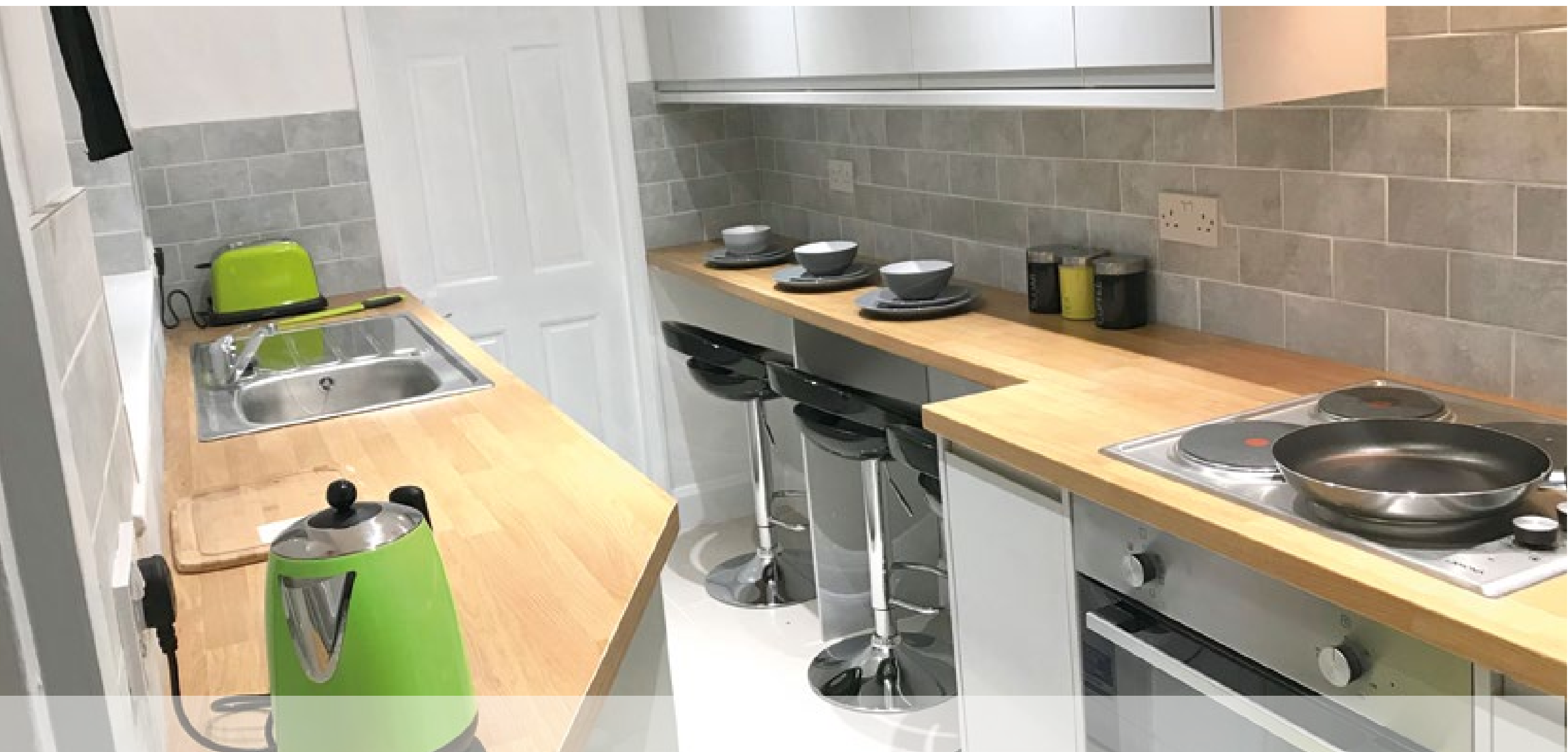
I live in Darlington in County Durham, and have properties in Newcastle, Teeside, Gateshead and Sunderland. It's quite a wide area, but all within a 40-minute drive. We have different strategies for the different sub-areas.



Darlington is good at the moment, because there's a lot of investment and developments, including a new Amazon fulfilment centre, which is attracting a lot of investors to the area.

Newcastle has a large Article 4 area, so there is a strong demand for HMOs but purchasing can be difficult. The key markets for us at the moment are Darlington and Teeside due to the developments and leisure parks being built around the areas.

Because more people are looking at this area to invest in, it's difficult to know how the market will change over the next few years. If there's a higher demand, it might be matched, but it's hard to see how the balance will sit at



the moment. I think the market is stable enough for BTLs, and it's probably getting better.

I am a huge advocate for BTL, and I've bought a lot recently. I can see why some people think that it's not worth it as a strategy, because it can be quite eye opening to calculate that if something goes wrong, all cash flow can be wiped out. But one of the things I like about it is how hands-off it can be. Of course, it depends on the exact house and tenant. I'm also acquiring properties for the longer term to try and grow my asset base of future appreciation, and BTL is a great strategy for the long term.

But also, consider the alternatives. Although HMOs and SA generate more cash-flow, the occupancy is often lower than the first calculations and that could affect the return on investment. Plus, after taking into account the amount needing to spend to meet various regulations, it's hard to get a good capital deal on it in terms of the overall spend on the property versus the bricks and mortar value.

Therefore, in the long term, it'll take a long time to generate any growth because of the amount spent setting it up — maybe even more than what the house is worth in the first place.

This isn't to say that I avoid these strategies. I buy HMOs for my own portfolio and manage several on behalf of other investors. It's a good little way to get some temporary cashflow, but overall I don't think it's better than BTL.

TENANTS AND MANAGEMENT

As our portfolio is scattered throughout different towns in the North East, we cater for a lot of different types of tenants. I would say that the working professional would be our majority, but we also have students and DSS too. We never rule anyone out, and a lot of it comes down to the referencing and the gut feeling of the tenant at the time.

I have a dedicated team of staff for managing the properties. If a house needs to be visited, I encourage them to make the best use of time and do a couple of inspections or do some viewings. I always try to avoid one-off trips.

If there is a problem in any of our properties, a member of the management team will call the relevant trade. We have different contacts for each of the areas and maintain good relationships with them.

"I have a set checklist for the sourcing team to follow when looking for suitable properties."

SOURCING PROPERTIES

I have dedicated staff in our sourcing business who scour the local market. As a company, we have built some relationships with other estate agents who will often pass us something they think we might be interested in. Recently, people have also started approaching us directly to sell their properties.

I have a set checklist for the sourcing team to follow when looking for suitable properties. When we're almost ready to start the buying process, I will assess it myself and consider whether it will be a good fit for my own portfolio, a sourcing client or a JV partner.

If any money needs to be spent on a property, I prefer those in which the overall spend is no more than the bricks and mortar predicted value, preferably less. If the property is sourced for another investor, it can be difficult to discuss predictions about costs because they can be impacted by a number of different variables. It could need more work than initially thought or a surveyor could value it for less than expected, for example. I always prefer any numbers we look at to be based upon comparable sales if possible. I believe it is important for investors to do their own due diligence according to their own circumstances, then make decisions for themselves in spite of any advice. It is impossible to predict the future so any projections, although useful, are just estimates.

We find similar conflicts when considering the ROI too. Although we try to gain an annual net cashflow of 20% ROI, it will still depend on many future variables. It will always be an estimate.

ADVICE FOR OTHERS

Something I've always been a big advocate of, is having a second exit. When getting into a project, it's always good to start thinking about what would happen if it doesn't go according to plan.

I've been in the situation of having no money before, and I think back to the days when I was doing music or when I was on job seekers allowance. I had no backup plan. I don't want to be in that situation again.

I think very cautiously. The estate agent might say that it would rent for this, or it would be worth this after a refurb, but it could go wrong. The refurb could be higher and the rent could be lower. So it's important to make sure the second or third exit will work just as well as the initial plan or provide an exit you're ok with.

As an addendum to that, I always factor in huge contingencies on all our figures as well, so that I'm covered in that respect. But ultimately, the safest second exit we've come across is making sure that we don't spend more than what the property is worth.

That's the best bit of advice I can give to people.

GET IN TOUCH

Instagram: **paulhanafinproperty**

NOW LISTEN TO THE FULL INTERVIEW

http://bit.ly/2DI1Ksa

SECURING THE FUTURE WITH CREATIVE HMO INVESTMENTS

HOW TWO FRIENDS ARE WORKING TOGETHER TOWARDS A SHARED GOAL

Interview & Words: **Anghard Owen**

While working in a double-glazing business, Dan Smith and his childhood best friend James Day decided to start investing in HMOs to create a more secure financial future for themselves and their families. However, despite working towards replacing his salary, Dan is still involved in his role in the double-glazing business, but now it's out of choice rather than necessity.

Originally from Kent, Dan met his business partner James at the age of 11 when they were in school. After they both graduated from university, Dan started working for a glazing and contracting company. A few years later James joined the company as a salesperson.

Seven years on, Dan is a 49% shareholder. As he is content with his role, the income from the business has taken away the pressure of having to consider property as an alternative to his current salary, which is a different approach to others in this feature. Instead, he sees the cash flow from property as a route to future security.

Dan

James

THE BEGINNING

Dan was no stranger to property - his father had a few BTLs and his uncle had at least 30 properties. Not only was he surrounded by investment in his home life, but at school too. Having attended a private junior school and a grammar school, many parents of other students also invested in property. ***"From a young age, it was drilled into me that property investing was a good idea."***

James, on the other hand, was much less interested in business. Growing up, he always wanted to be a policeman. His first role after university was as a Border Force officer. After a few years, he realised he didn't want a salaried career for the rest of his life, but wanted to have the freedom to travel and live a comfortable life.

Dan and James attended a building exposition to find new glazing products when they came across Andi Cooke and Lloyd Girardi. ***"They kind of blew our minds, so we paid the deposit there and then to go on their course. And we've never looked back."***

After attending the course in 2016, they realised that by borrowing money from private investors, they were able to grow their portfolio. Prior to this, Dan and James thought the best way to make money was by doing flips. ***"I'm not knocking that strategy, but it's get rich very slow."*** he says. ***"Attending that course and meeting those guys set us on a path of really turboing the journey."*** This led to the creation of Dan and James's company, DaySmith.

STRATEGY

The most important consideration for Dan and James was the profitability of the business. They decided to focus on HMOs because they provided a higher margin of profit compared to BTLs, and are therefore relatively safe from small fluctuations in interest rates. Dan believes that leveraging a 75%-85% mortgage for a BTL could be a risky strategy as a rise in interest rates or an unforeseen cost could eat up the profit.

HMOs also allow them to refinance on a commercial valuation, thus allowing the value uplift to be their equity in the property. They raise finance through private investors, and at the end of the project, the investors are repaid with interest.

Despite HMOs being a favourite strategy, they have experimented with SA. However, they found that there wasn't enough of a demand in Maidstone to generate a reliable profit. They have also bought a commercial building that was converted into seven flats, and are currently building out plots for a couple of new build HMOs.

"At the beginning, we suffered from silver penny syndrome. We attended every course and then fell to thinking that we should do something else. However, if you're not careful, months and months pass and you haven't done anything because you're not focused."

By focusing on HMOs, they have been able to truly get to know the strategy inside out and have found a model that works — find, buy, refurb, tenant and refinance.

TENANTS

They don't have a typical tenant for their properties. Although Dan refers to the bracket of working professionals, the age of their tenants ranges from 18 to 60.

The only tenants he excludes are students, because there isn't a market in Maidstone, and LHA tenants. Dan and James have tried to place like-minded people in the same house, but have equally seen good success by mixing tenants of all ages, types and personalities. ***"It's not been too much of a problem, it's just a case of having a gut instinct about people,"*** Dan says. ***"If they're good, nice people, they'll probably mix with any age."***

However, in the three years that Dan and James have been operating as an HMO provider, they have noticed a change in expectations from tenants. When they first entered the market, the competition in Maidstone mainly consisted of low-quality magnolia rooms. Over the years, there has been an increase in standards and quality, which has therefore forced landlords to up their game.

Now, tenants are likely to expect en-suites, TVs, WiFi and contemporary furniture. Dan and James provide wall-mounted flat screen TVs in every bedroom, along with en-suites, as long as there is enough space.

CHALLENGES

Dan and James have had to face some tough challenges during their time as investors. A bank pulled their funding due to Japanese knotweed in the garden, forcing them to exchange without funding in place. ***"It was just on the cusp of the seven metre limit, it was such a long way away. When we were in the garden looking at it, it seemed as if it were miles away from the house. But it was enough for them to pull funding."***

They had to quickly raise £32,000 for the deposit, and a further £300,000 to complete 28 days later. This ended up being their first experience of using private investors — more from need than want!

During another purchase, this time the commercial building they planned to convert into flats, the bridging company lost their staff and therefore couldn't get any paperwork done. After nearly losing the deal and seeing the threat of it going back on the market, they again exchanged without funding in place. They placed a deposit of £50,000, and had 28 days to raise the remaining £400,000 with the bridging company. Although a few days later than planned, they managed it.

However, this was only the beginning of the problems with this deal. A year later, the building was still empty and was costing £3,000 interest per month due to trying to sort out development finance with the same bridging company. ***"It sounds crazy when I say that, how long it took us. But we were really struggling with the broker not communicating enough with the bank."***

In the end, they bypassed the broker and spoke directly with the lender. As well as costing a fortune in interest payments, it was down-valued twice from what they paid for it, and the bank wasn't willing to lend enough. Dan, once again, needed to find private investment to top up the money.

Another mistake with this property was buying it without vacant possession. There were three tenants in situ who had a cash arrangement with the previous landlord. Two went without a problem, but one caused trouble. They suspected that he was a drug dealer and was running a brothel.

"He was intimidating, and it was really stressful trying to get him out. We ended up letting him off all the rent and more just to get rid of him."

However, once the builders started the conversion, the rest of the project all went according to plan.

Dan and James hire their builders with fixed JCT contracts. They learned the hard way on one of their earlier properties that it isn't a good idea to pay a day rate. ***"We hired someone on a rate of £180 per day. He had no financial incentive to get it done quickly … in fact it was the opposite. He had a financial incentive to drag it out longer."*** This refurbishment cost £140,000, and they have now learned how to manage their trades efficiently as well as agreeing on a fixed cost.

WORKING WITH FRIENDS AND FAMILY

Everyone has heard the horror stories of going into business with a friend and ruining the friendship. Dan believes that he and James work well together because they both value fairness. Partnerships start to crumble when one party feels they've brought more to the partnership and it starts to grate at them. It's important to be able to have a frank and clear discussion with partners in a coolheaded way to find a fair outcome.

Dan's wife, Anne-Celine has also joined the business and she covers for their combined weaknesses. ***"To be honest, James and I aren't the best partnership on paper because we have overlapping skills. Anne-Celine has the skills that we don't."*** Her responsibilities include recruiting and managing tenants, the day-to-day administration and financial management and forecasting. This allows Dan and James to focus on acquisitions, appraisals and raising finance. ***"We're not the textbook model of how a partnership should be. But what we say is that we have a shared vision that keeps us on track, and that's quite important."***

Anne-Celine

BALANCING THE DAY JOB

As both Dan and James still work for the glazing business, they have had to work hard to find time for property. ***"We had to be quite strict about setting time aside, and block out time in our diary to do property-related things,"*** he says. In particular, Dan has implemented more systemisation and delegation within the glazing business, freeing up some time to work on their investments. ***"If you're a business owner like me, you will probably often fail at delegating and you end up doing it all yourself."***

For every task that lands on his desk, he will figure out a system to avoid doing it ever again. ***"It sounds brutal, but it is necessary to delegate and make time for what you really want to be doing."***

ADVICE FOR OTHERS

"There is always a solution," Dan advises. Over their investment careers, both Dan and James have had some low points and felt isolated. It's important to stay positive, take each step as it comes and work through the issue. Because there is always a way.

THE FUTURE

They are currently working on an eight-bed refurbishment and have purchased a couple of new build plots. The development will comprise two seven-bed properties specifically built to be HMOs.

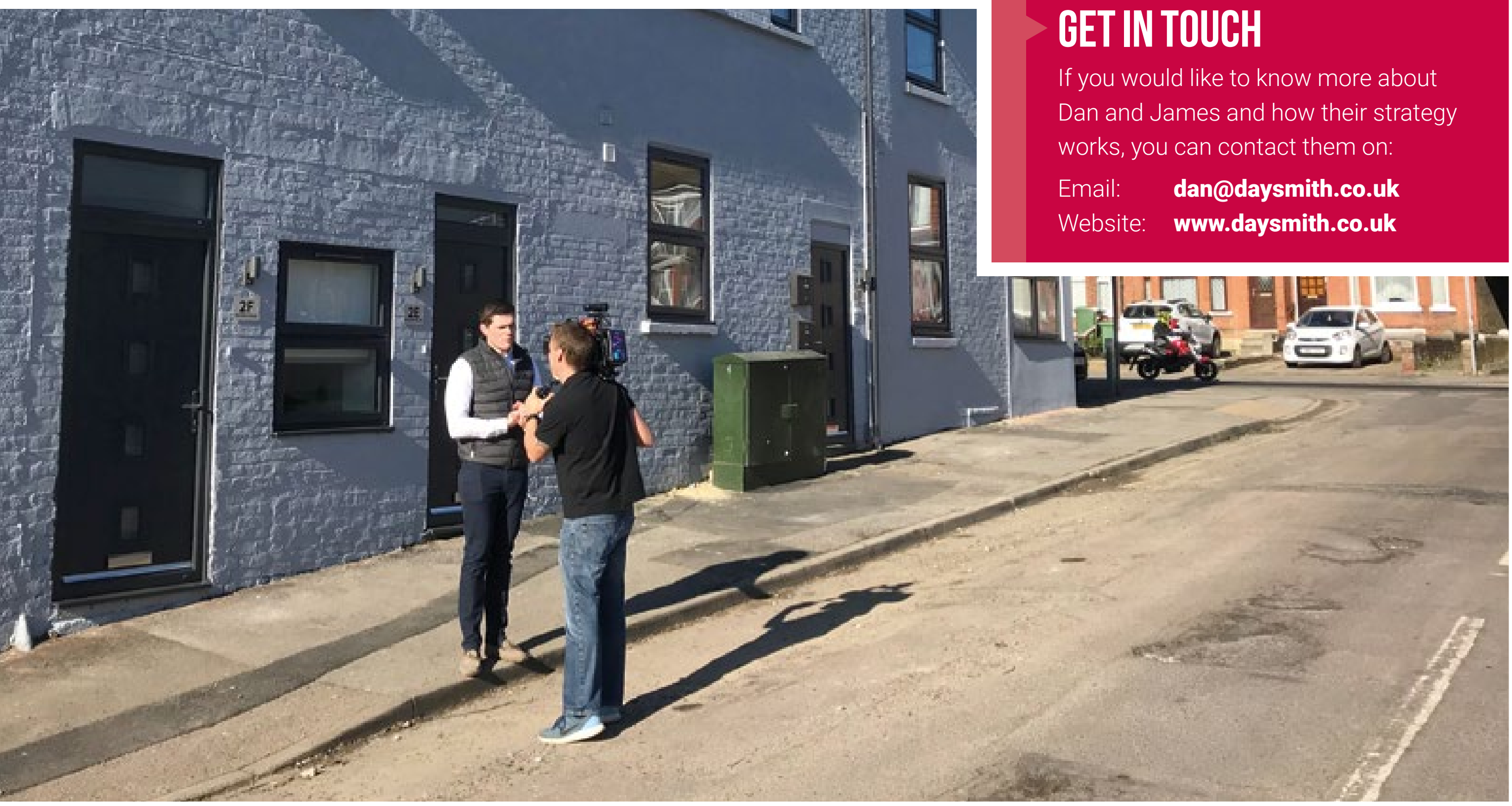
Building their own HMO will allow them the freedom to design the property in the best way to cater to their target tenants. They are planning on implementing a large living space, as many living spaces are confined in terraced house conversions, including a large open kitchen, lounge and diner with bifold doors into the garden. ***"It's a dream,"*** Dan says. ***"New build to HMO is a great strategy."***

Dan and James are working towards a goal of earning £40,000 per month between them. At the time of writing, they are approximately a quarter of the way there, and are working on quadrupling the size of their current portfolio.

"Goal setting is good for keeping you on track, but I think if you take it too seriously, it's not particularly good for mental health as it can cause anxiety and you end up beating yourself up."

Although they are reaching for this goal, it is not set in stone. They are both flexible enough to amend the goal if and when the time comes to do so.

(Turn the page to see a selection of case studies from Dan and James.)



GET IN TOUCH

If you would like to know more about Dan and James and how their strategy works, you can contact them on:

Email: **dan@daysmith.co.uk**
Website: **www.daysmith.co.uk**

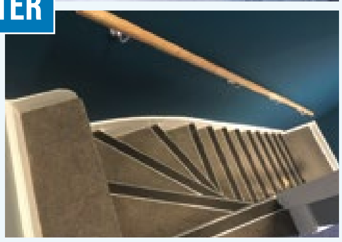
CASE STUDY 1

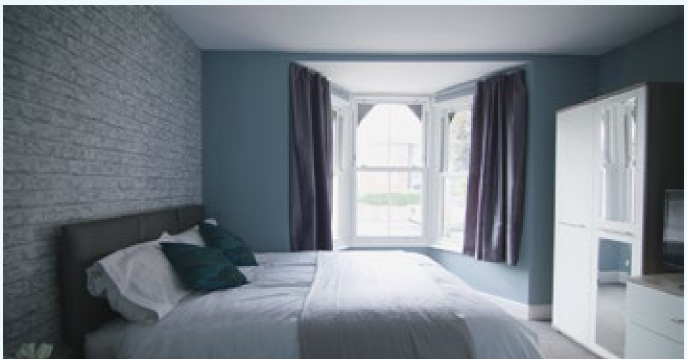
FISHER STREET MAIDSTONE, KENT

Type of property	Terraced 3-bed house. Converted into 1-bed basement flat and 7-bed HMO
Purchase price	Offered **£325,000** subject to planning for basement flat. Purchased freehold with private investor finance after loan fell through due to knotweed.
Open market value	**£325,000**
Purchase costs	SDLT: **£16,000** Legals and fees: **£2,000**
Funding method	Cash from private investor, and was the first deal of many with that investor
Deposit paid	**£32,500**. Exchanged without finance fully in place due to not wanting to lose the deal
Amount of funding	**£300,000** (we put in the rest)
Borrowing rate(s)	**10%**
Total money in:	**£343,000**
Personal money in	**£150,000**

BEFORE

AFTER





COST OF WORKS

Project duration	18 months
Planning costs	£3,000 inc council fee and architects
Planning duration	8 weeks, approved straight through
Total costs	Refurb: **£150,000** Fees **£2,000** Planning **£3,000** Interest to investor: **£23,000** TOTAL: **£178,000**

VALUATION & INCOME

Post-works valuation	HMO: **£480,000** Flat: **£130,000** TOTAL: **£610,000**
Re-mortgage amount	HMO: **£457,500** Flat: **£97,500**
Rate	3.9% and 3.8% both fixed for 5 years
Money left in	**£61,500**
Monthly income	HMO: **£4,075 gross income** Flat: **£725 gross income** Total: **£4,800 gross income**
Bills included?	Bills included approx. **£500 pcm**
Monthly mortgage payment	HMO: **£1,200 pcm** Flat: **£300**
Monthly costs	**£1,500** mortgage **£500** bills
Net monthly cash flow	**£2,800pcm** (£33,600 pa)
% Return on money left in	**54%** (complies with our 3-year rule where we only invest if our money is out within 3 years)

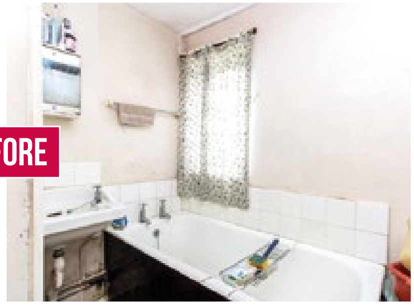
CASE STUDY 2

GRECIAN STREET

MAIDSTONE, KENT

Type of property	3-bed terraced house. It had historical subsidence and the agents were putting a lot of people off. Now a 6-bed HMO
Purchase price	**£195,000** - Purchased freehold with private investor finance who fronted all of the money for purchase and refurb.
Open market value	**£200,000**
Purchase costs	SDLT: **£7,250** Legals and fees: **£2,000**
Funding method	Cash from private investor
Deposit paid	**£19,500**
Amount of funding	**£300,000** - This covered almost entire purchase and refurb.
Borrowing rate	**10% p.a.**
Total money in:	**£204,250**
Personal money in	**£4,250**

BEFORE



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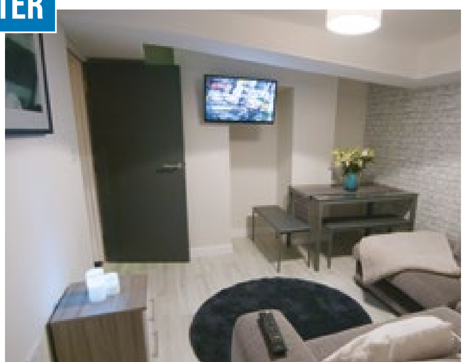


COST OF WORKS

Project duration	9 months from purchase to refinance complete and investor paid back
Planning costs	N/A went from C3 to C4 under PD
Total costs	£204,250 Refurb: **£100,000** Interest: **£22,000** Total: **£326,250** (we put in an additional £4,250!)

VALUATION & INCOME

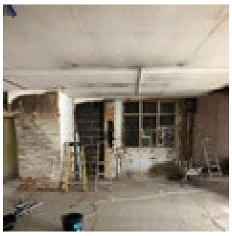
Post-works valuation	**£408,000**
Re-mortgage amount	**£306,000** (75% LTV with Shawbrook)
Rate	**5.1%** interest only fixed for 10 years
Money left in	**£20,250**
Monthly income	HMO – (£575 x 4) + (£600 x 2) = **£3,500 gross pcm**
Bills included?	Bills included approx. **£500 pcm**
Monthly mortgage payment	HMO: **£1,200 pcm** Flat: **£300**
Monthly costs	**£1,300** mortgage + **£500 bills** = **£1,800**
Net monthly cash flow	**£1,700 pcm (£20,400 pa)**
% Return on money left in	**100%** (All our money out in a year, which complies with our 3-year rule where we want all our money out within 3 years)

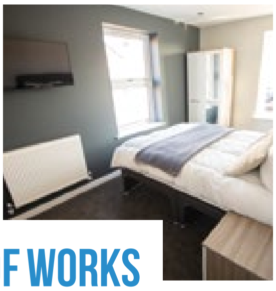
CASE STUDY 3

TONBRIDGE ROAD

MAIDSTONE, KENT

Type of property	Corner building - Terraced. Was a commercial property car parts shop that had been closed for a few years with 3 rented residential dwellings Now it is 7 flats comprising: 4 x 1-bed flats, 2 x 2-bed flats and 1 x 4-bed HMO flat.
Purchase price	Purchased with a 70% bridge to purchase from Octopus property which later rolled into a development loan product. PP - **£470,000** purchased freehold
Open market value	**£470,000** (although was on market for a couple of months at £550,000)
Purchase costs	SDLT: **£13,000** (reduced because it's a commercial property). Legals and fees: £3,000
Funding method	**£330,000** Bridge to purchase from Octopus Property
Deposit paid	**£47,000** (exchanged without finance fully in place on this one too due to not wanting to lose the deal and Octopus dragging their heels a lot!)
Amount of funding	**£330,000** (we put in the rest with a family member's private investors capital)
Borrowing rate	**7% pa**. with 2% entrance and 2% exit fee
Monthly mortgage payment	N/A – rolled up interest
Total money in:	**£486,000**
Personal money in	**£156,000**





VALUATION & INCOME

Post-works valuation	**£1,000,000** Valued as one single freehold
Re-mortgage amount	**£750,000**
Rate	**3.79%** fixed for 5 years
Money left in	**£118,000**
Monthly income	4 x 1-bed flats @ **£700 pcm each – £2,800 total** 2 x 2-bed flats @ **£800 pcm each – £1,600 total** 1 x 4-bed HMO flat **@ £575 each room – £2,300 gross total (minus £400 bills) £1,900 net total** Total: **£6,700 gross rental pcm / £80,400 gross income pa**
Bills included	See above
Monthly mortgage payment	**£2,410 pcm**
Monthly costs	**£400 bills**
Net monthly cash flow	**£3,890 pcm** (£46,680 net income)
% Return on money left in	**39%** (complies with our 3-year rule where we only invest if our money is out within 3 years)

COST OF WORKS

Project duration	24 months
Planning costs	£8,000 inc council fee and architects
Planning duration	8 weeks, approved straight through under PD
Total costs	Refurb: **£350,000** Fees: **£2000** Planning**: £8000** Interest to investor: **£32,000** Total: **£392,000**

CASE STUDY 4

KINGSLEY ROAD

MAIDSTONE, KENT

Type of property	3-bed terraced house. Was really rotten. With an extension it will be an 8-bed HMO.
Purchase price	**£180,000.** Purchased freehold with private investor finance who fronted all of the money for purchase and refurb. (same investor as Fisher Street.)
Open market value	**£180,000**
Purchase costs	SDLT: **£6,500** Legals and fees: **£2,000**
Funding method	Cash from private investor
Deposit paid	**£18,000**
Amount of funding	**£350,000** (This covered almost entire purchase and refurb)
Borrowing rate	**10% p.a.**
Monthly mortgage payment	N/A – rolled up interest
Total money in:	**£188,500**
Personal money in	**£0**

COST OF WORKS

Project duration	12 months from purchase to refinance complete and investor paid back (estimated)
Planning costs	£5,000 for planning fees and drawings
Total costs	Purchase: **£188,500** Refurb: **£150,000** Planning: **£5,000** Interest to investor: **£23,000** Total: **£366,500**

VALUATION & INCOME

Post-works valuation	**£544,000**
Re-mortgage amount	**£408,000**
Rate	**3.79%** interest only fixed for 5 years
Money back out	**£41,500**
Money left in	**£0**
Monthly income	HMO – (£575 x 5) + (£600 x 3) = **£4,675 gross pcm**
Bills included?	Bills included approx. **£600 pcm**
Monthly mortgage payment	HMO: **£1,200 pcm** Flat: **£300**
Monthly costs	**£1,300** mortgage + **£600 bills** = **£1,900**
Net monthly cash flow	**£2,775 pcm (£33,300 pa)**
% Return on money left in	**Infinite!**

THERE'S NOTHING WRONG WITH VANILLA!

RANT

There's a phrase knocking around property circles that bothers me. Not only is it a tad cliché, but in my humble opinion it's a bit of an oxymoron.

The phrase in question is *"vanilla buy-to-let"*. I know, I know – most people mean it in the nicest possible way. BTL is a simple, easy-to-understand strategy, and often the flavour of choice for investors when getting started. The adjective "vanilla" tends to be used for things considered plain, basic or boring, and is likely to have derived from the fact that vanilla ice cream is the most commonly served flavour.

However, I wonder whether *"vanilla BTL"* has come to signify BTL as being the boring "poor relation" in terms of property investing? I've noticed that it's sometimes used by people who have moved on from BTLs to the bigger and sexier deals. Leaving the poor BTL shamed for not being as exciting as HMOs, development, SA or one of the many of other strategies out there.

One day recently, however, I found myself procrastinating from work and idly reading an article on vanilla. I came across some interesting points: Did you know:

- **Vanilla is the second most expensive spice in the world, after saffron?**
- **At the end of 2018, one kilogram of vanilla cost approximately $600?**
- **Most of the world's vanilla flavouring is an artificial compound called vanillin?**

Which means – the flavour that most people consider boring and basic is actually artificial, and the real stuff is very expensive and luxurious.

So, is genuine vanilla still boring?

Now, let's consider some of its uses:

- **It's the most common flavour of ice cream, to which other flavours are added**
- **You might add it as an additional flavouring to your latte or cappuccino**
- **It adds flavour to cakes and cookies**
- **Scented candles**
- **The best custard has added vanilla seeds (in my opinion, and I consider myself a Custard Expert – I could write another article on custard alone)**

Basically, what I'm getting at is that the so-called *"boring"* spice of vanilla is used in a very large part of our lives, often without us even being aware of it. But what has this got to do with property investing?

As most of us started our property investment careers with BTLs, it's a bit unfair to belittle our starting strategy by referring to it as unexciting. It's probably what got you hooked on property in the first place, but calling it boring (aka *"vanilla"*) is, I would argue, disrespectful not to just your past selves, but to others who may be starting out too.

Take a moment to look back to your modest property investment beginnings with that handful of single lets, and ask yourselves how those BTLs have helped to get to where you are today.

And that is how vanilla and BTLs are similar. They are both relatively inconspicuous in their own way, but are great platforms on which to build or add other things, whether they be chocolate chips or HMOs, salted caramel or SAs.

Next time you're at a presentation, networking meeting or writing an article and you feel the temptation to say you started with the *"vanilla BTL"*, don't do the start of your journey an injustice. It's nothing to be ashamed of – we all started somewhere!

Vanilla is anything but boring; it has a complex flavour profile, it's very expensive, and in fact, there may even be a shortage in years to come. And, lest we forget, it is undeniably delicious. You should be proud if you have a vanilla BTL!

I hereby vote for an official change to be made to property lingo. If you really feel the need to refer to your BTLs as basic, boring or plain, let's try on *"ready-salted BTL"* for size. Because – and I'm happy to be proven wrong – ready-salted really is the most boring crisp flavour ever.

RANT OVER

Angharad

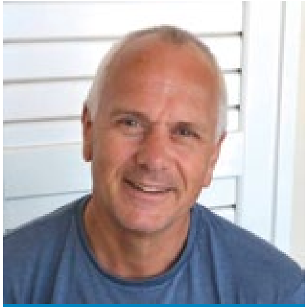
YOUR PROPERTY PROJECT

SCHOOL'S OUT!

SCHOOL CONVERSION WITH PLAYGROUND NEW BUILDS NET RESPECTABLE £350K PROFIT FOR INVESTMENT DUO PAUL AND GRAHAM

Interview & words: **Angharad Owen**

When Paul Ward retired from his career and Graham Tew sold out of his business, the two neighbours decided to invest in property together. After building a BTL portfolio, their first development involved converting a local primary school into four houses and building five new units in the playground.



Paul

Graham

BACKGROUND

Paul had worked in the prison service for 33 years, but he always wanted to work for himself and had an interest in property. Graham's career, however, was much more property-orientated. He set up a property maintenance business, and went on to become an estimator and director. He built a construction company, but eventually wanted to focus on development and investing. He sold his shares to concentrate on building his own portfolio.

As neighbours and friends, they thought two heads would be better than one, and built a portfolio together. After doing some training to learn about the strategies available, they settled on BTL and moved on to try out HMOs. Nevertheless, they were getting bored of only working on one or two properties at a time and they weren't progressing as quickly as they wanted.

This led them to looking for development or conversion opportunities.

THE APPLICATION PROCESS

In 2014, a nearby school was up for tender with the council. Built as a school in 1864 by a local builder, it remained a school for several years. Its last few decades were spent as a youth centre, before eventually closing its doors in 2011, and it had been empty since.

Paul and Graham decided it would be a great way to practice applying for tender so they could understand the processes involved. The property was for sale with no planning, and the tender stipulation from the council was to provide an outline scheme.

There had been a prior application for planning permission in the past, but it had been refused as it was an intensive development.

The council wanted to preserve the façade of the school, so Graham and Paul worked with an architect to develop a scheme that retained as much of the building's character as possible. They planned to demolish some 1950s and 60s extensions at the back of the building, and strip it back to its original shell. ***"I think we did quite a good job of maintaining that frontage,"*** Graham said.

"We also did a little bit of extra research on the building," Paul said. ***"When we put our tender document in, we showed that we understood the history of the building and its importance to the town."***

Graham's background in construction was a benefit to the application process. Whilst he isn't a qualified quantity surveyor, his previous work as an estimator meant he had a good handle on budget and costs, allowing them to know their likely build cost.

They had also spoken to estate agents to determine the prospective end value of the units and GDV. Knowing these two figures gave them confidence that the scheme would be viable if it went ahead.

It had been a competitive market. They were fortunate that their combination of a sound scheme, a good price and having met the council's criteria to preserve the façade, meant that their offer was accepted.

GRANT CLOSE, THOMAS CLOSE & NEW STREET, POCKLINGTON, YO4 2QA

Type of property	9 properties. 3 x 2-bed, 2 x 3-bed and 4 properties converted from a school building.
Relevant history for the property	The original building was built in 1864 as a school. Since that time it had been used as a school and the last use was as a youth centre.
Strategy for this property	We converted the school to 4 properties and constructed 5 new builds in the playground.
Purchase price and method	£344,000 to purchase. £1,100,000 build, legal, planning costs
Open market value	£1,995,000
Funding	JV finance and some of our money.
Amount of funding	£800,000 to get us to the point where we sold some of the houses then it was funded through sales.
Borrowing rate(s)	9%
Monthly mortgage/ funding payment	N/A - sold them all
Total money in:	**As above**
Personal money in	**£50,000**

FINDING FUNDS

After their offer was accepted, they gave themselves seven days to find a builder and raise the funds to go through with the project. Fortunately, they knew a builder who was interested in doing a development project, and they agreed to work together as a JV partnership. The builder also had contact with an investor who had shown interest in funding a development project.

"People said that we were lucky," Paul said. ***"But we were only lucky because we'd put ourselves in the position to be lucky. We had done a lot of networking and we weren't going in completely blind."***

As well as the loan from the investor, both Graham and Paul put some of their own money into the project to show some personal accountability. They preferred to work with one investor as that meant there was only one charge on the property.

PLANNING TROUBLE

Their offer was contingent on planning, and they hadn't expended a lot of money prior to being accepted. The deposit was refundable in case planning wasn't granted. Only after their application had been permitted did they start to commit some funds to further develop the scheme with the architect. ***"We tried to delay any commitment to expenses as much as we could."*** Graham said.

During the planning process, it came to light that there had been a request for the building to be Grade II listed. Paul went on a mission to find out what exactly that could entail. He learned a lot about the process of listing a building, but it inevitably caused a delay of two months to the project.

"People putting adversity in front of you is a good thing, because you learn things." Paul acknowledged. He learned that often a building listing isn't just about the building itself, but also its history. Paul and Graham had to fund an archaeological survey and submit a multi-page report to Heritage England, who concluded that although the building was of historical value, it wasn't significant enough to be listed.

There were further delays from the planning office too. The officers and chief planning officer couldn't decide on which way the houses should face. Paul and Graham also suspect that the building's prominence within the town caused some delays too.

"To be fair, most people were in favour of doing something with it," Paul said.

BEFORE

COST OF WORKS

Project duration	18 months
Architects fees	£6,000
Planning costs	£5,000
Planning duration	6 months
Quantity surveyor	My business partner is a QS
Asbestos survey	£400
Any other surveys/ professional costs	£5,000
Preliminaries	All the calculated as a sq ft costs overall. The build was around £110 per sq ft.
Total costs	**£1,200,000**

THE STATE INSIDE

The school building didn't have any major structural issues, apart from chimney stacks needing to be rebuilt. Considering its age, it wasn't in a bad state. It had maintained its integrity and there hadn't been any expensive unexpected problems, which is uncommon in such an old building.

As a typical Victorian single-storey school, there was a steep pitched roof. The whole scheme hinged on being able to create an upper storey within the void roof space. To get the best value, they had to take the roof off and put attic trusses in. It was a considerable expense, but one they had budgeted for. *"These things often come out more expensive than you anticipate,"* Graham recognised. *"But it was within the realm of tolerance."*

There was also a lot of graffiti scratched and etched into the walls. They made the conscious decision not to remove them, because it added to the character of the new houses and respected the building's history. Many people walked past and remembered scratching their name, and the buyers of the houses thought that it was quaint.

DEVELOPMENT

CONVERSION AND BUILD

The council wanted them to do the conversion of the school building before building the new houses. "*That didn't work for a couple of reasons,"* Graham explained. *"Doing the conversion first would have locked us in, as that part was at the front of the site. If we had done the conversion first, sold them and moved to the back, it would have been a health and safety risk, and it didn't help our cash flow."*

They decided to split it into three phases, and negotiated with the council to begin with the terrace of three houses, sell them and work their way around the site. The conversion was the second phase, and the construction of semi-detached houses at the back was the third.

On a per unit basis, the conversion took longer and was more expensive. There were more works involved such as stripping the building back to brick, taking the roof off and putting on a new one. Doing a conversion can be more time-consuming because it entails making sure that everything is structurally right. The walls weren't square, so each truss needed to be measured individually. Setting foundations and building the shell of a new build is a much quicker process.

While the works were being carried out, many people stopped to share stories of their time at the school or youth centre, and some had even met their husband or wife there.

Every developer can pinpoint when they have gone to maximum expenditure, and, until one or two units have been sold, are unable to continue. In this case, as the builder was a JV partner, he was aware of the importance of the first few sales. He focused his efforts on getting the first three finished first. *"There's always a pinch point when selling the first few properties. With every sale, you know that'll get us through the next couple of months,"* Graham said.

"The good thing about doing a JV with a builder is that their mind is on the cash flow too," Graham continues. If they aren't financially involved, they are more likely to do the most profitable and easiest work for them or their company.

Paul and Graham considered keeping the terrace of three new builds as BTLs. However, the money generated by refinancing them was much less than if they were sold. All three buyers were investors who now use them as BTLs.

ROLES AND RESPONSIBILITIES

Graham oversaw the budget and ensured that the build and conversion were on schedule.. He did a monthly valuation on the works completed, and kept in contact with the building team to check that everyone was on the same page. There were occasional variations within the valuations, but he would discuss them with the team to find solutions.

It was easy to assume that some small tweaks to the scheme had been done without recourse to the rest of the team, and Graham found that it was difficult to challenge his builder in some cases as he was also a JV partner. But it wasn't a major issue and they worked well together.

On the other hand, Paul took care of the business and administration side of the development as he's a fairly organised person. One of his most time-consuming jobs was working with the utility companies. ***"Half of it is getting them to actually come and do what they're saying they're going to do, when they say they're going to do it. But they'll find any excuse not to do it,"*** he revealed. ***"You have to laugh in the end, it got a bit comical."***

LESSONS LEARNED

Since working on this project, Paul and Graham have gone on to do two more developments, including one with the builder as a JV partner again.

On a first development, there are always lessons to be learnt and challenges to overcome. If they were to do it all again, they would try to build it cheaper and sell the houses for more. ***"I think we under-priced our houses and we probably could have got more."*** Graham admits. He went on to say that he feels he should have analysed the market a bit better and not rely on agents, as they often say what they think clients want to hear.

Paul was keen to share what went well on the project too. He attributes much of the success of this development to having the right people around them. They worked with a good solicitor, architect and builder.

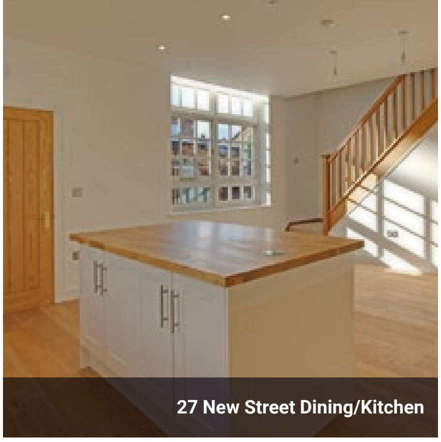
"Getting good people around you is absolutely vital, it helps you sleep at night."

GET IN TOUCH

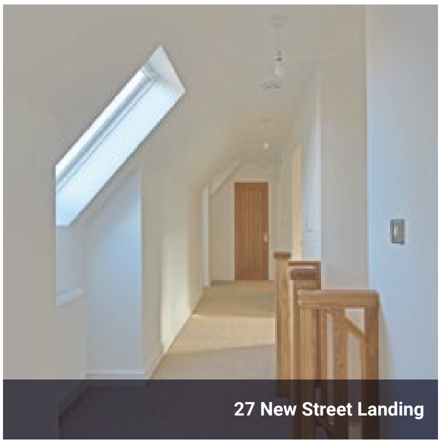
Facebook: **Paul Ward / Graham Tew**

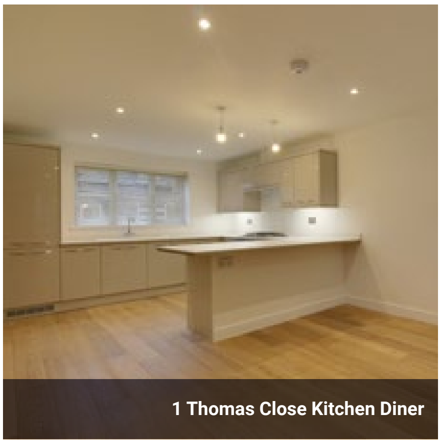
NOW LISTEN TO THE FULL INTERVIEW

http://bit.ly/34McJMX


27 New Street Dining/Kitchen


25 New Street Front View

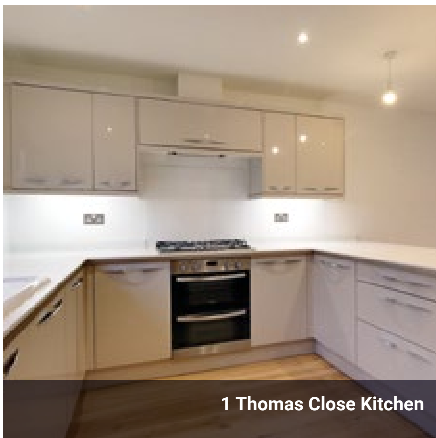

27 New Street Landing


1 Thomas Close Kitchen Diner


1 Thomas Close WC

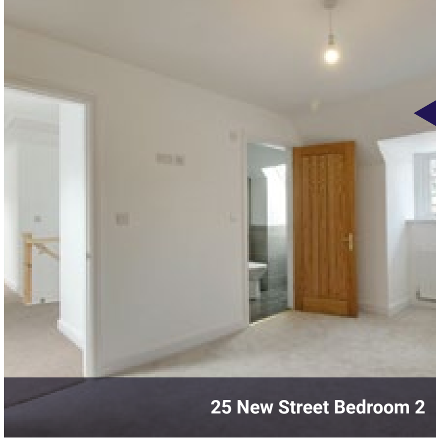

25 New Street Rear View

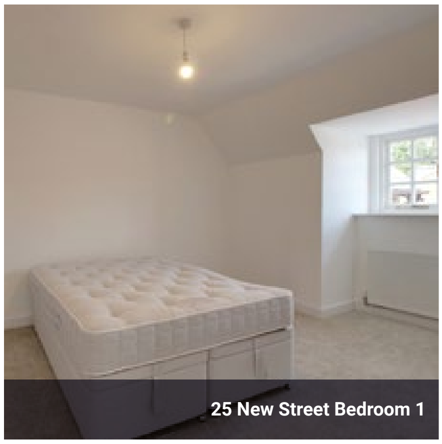

1 Thomas Close External


1 Thomas Close Kitchen

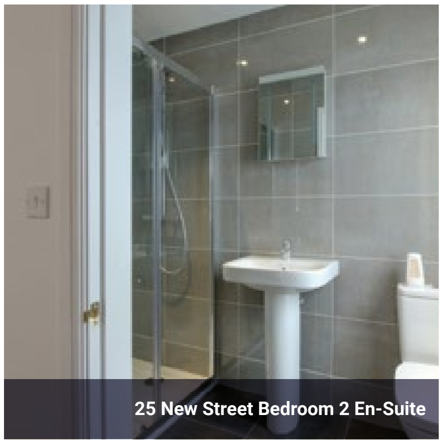

25 New Street Kitchen

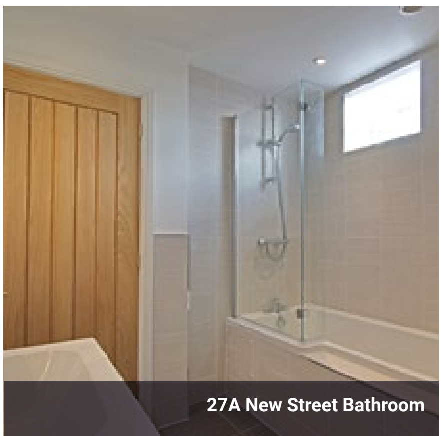

25 New Street En-Suite 1


25 New Street Bedroom 2


25 New Street Bedroom 1

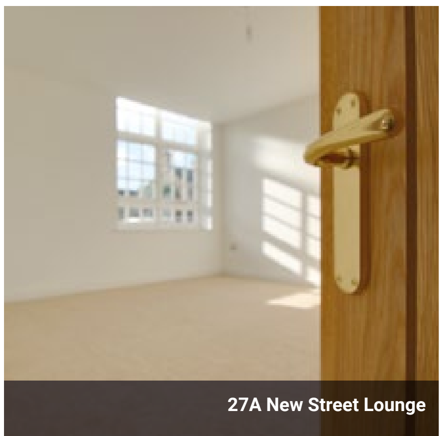

25 New Street Study/Landing


25 New Street Bedroom 2 En-Suite


27A New Street Bathroom

VALUATION & INCOME

Post-works valuation	£344,000
Sale price	£1,995,000
Profit	£350,000 approx before tax


27A New Street Lounge

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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!

- Purchase Price: £34,000
- Refurb: £15,400
- Post Works Value: £65,000
- Re Mortgage and only leave £650 In Deal
- £202 Positive Cashflow per Month.

- Purchase Price: £31,500
- Refurb: £12,500
- Post Works Value: £55-£60,000
- Rent: £400 Per Month
- Great Return on Investment

- Purchase Price: £45,000
- Refurb: £10,400
- Rent: £425 Per month
- Post Works Value: £70,000
- Refinance & only leave £750 in the deal.

- Purchase Price: £62,000
- Post Works Value: £80,000
- Rent: £475 Per Month
- Refurb: £5,000

- Purchase price: £38,000
- No stamp duty
- Refurb: £12,000
- Rent: £450
- Post Works Value: £65,000
- Only Leave in £5,750 on Refinance.

- Purchase Price: £33,000
- No Stamp duty
- Refurb: £8,000
- Post Works: £55,000
- Rent: £400
- Only Leave £6,000 in The Deal
- 42.7% Return on Investment

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

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

We let our clients speak for us. Here are some recent clients giving feedback.

The initial conversation I had with Mike, was the most productive I've had in years, it helped me immensely going forward in terms of the deals I should and shouldn't do.

What really impressed me about Mike, was the fact that is so transparent about the deals I shouldn't buy and he took the time to show me and explained why.. Not a lot of people do that.

I am glad that our paths have crossed and with his help I can now build the business I was hoping.

Many thanks again,

Vikram Oswal, ***East London***

Working in the property industry myself, I did a great deal of research when I was looking to venture into property investments in the North East. I contacted a number of agents, but when I spoke with Michael at Talking Houses I knew it was the right way to go. His knowledge of the market and the area is second to none, and the process from start to finish was brilliant and if any issues arose, Michael was always readily available to help and you always receive a personal service.

From my first visit up to the North East last year, to seeing the finished refurbished properties earlier this year, I would definitely recommend Talking Houses as the go to for investments and I will most certainly use them again for future property purchases in the area.

Alex Gorman Tooze, ***South East London***

Come and join us for an hour to see what we can do for you. It will help you 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

Wednesday February 19th. 1 hour consultation slots from 10am till 5pm.

Ramside Hotel - Durham

Wednesday February 26th. 1 hour consultation slots from 10am till 5pm.

Look forward to meeting you there.

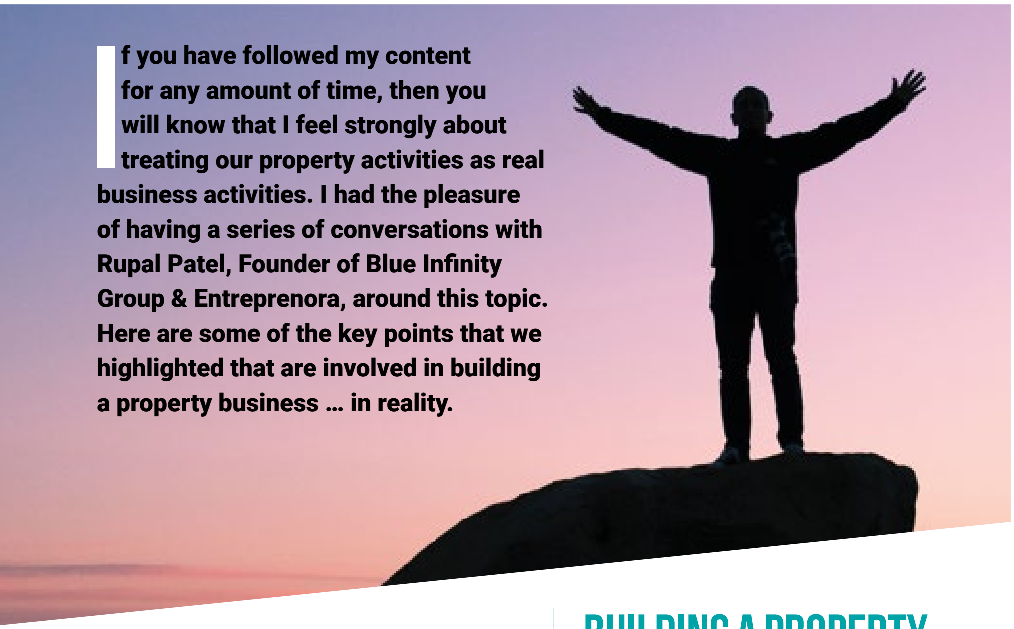
Our very best

Mike Massey BSc (Hons)
Founder
Talking Houses NE Ltd

Martin Cockbill
Operations Director
Talking Houses NE Ltd

BUILDING A PROPERTY BUSINESS …IN REALITY

By Richard Brown
aka
THE PROPERTY VOICE



If you have followed my content for any amount of time, then you will know that I feel strongly about treating our property activities as real business activities. I had the pleasure of having a series of conversations with Rupal Patel, Founder of Blue Infinity Group & Entreprenora, around this topic. Here are some of the key points that we highlighted that are involved in building a property business … in reality.

IT'S NOT ALL ABOUT THE MONEY

Building a property business is not all about the money, that's certainly the way that Rupal and I see this. Having said that, money is important too, as we shall see.

Key takeaways:

- **Money is an enabler** – it allows us to buy back our time, have freedom of what we do and the choice of who we do it with.
- **A property business can serve to leave a legacy** – it can allow us to support our families, good causes that we resonate with and the community, with decent homes to live in too.
- **Fix and flex** – a property business allows us to adapt to changes in our lifestyle and priorities, which will inevitably change over time.
- **Passion, purpose and values** – we get the opportunity to live in line with what is most important to us and how we see the world.
- **Personal growth and development** – it's about who we become along the way, as much as what we do and achieve.

BUILDING A PROPERTY BUSINESS

If we invest in the stock market, then this is more of an investment activity rather than a business activity. Similarly, if we invest in a real estate investment trust (REIT) or as a financial partner in someone else's property-related activities. However, if we plan to directly participate in property ownership or property-related activities, then this becomes more of a business operation and not purely an investment activity.

Key takeaways:

Set things up as a business from the start – ensure we have the right legal structure, accounting, tax and finance considerations in place to suit our long-term plans. Think about the systems and processes appropriate to the stage and scale of our business development. Establish formal routines to manage the business, such as AGMs and regular milestone reviews.

Strategy and plan – have a written plan, along with some short and longer-term goals. Review these plans and goals at regular set points, along with any business partners, and ideally away from day-to-day distractions. Remember, it's all too easy to have 'busywork' in the business, so remember to allocate time to also 'work on the business' regularly too.

Valuing our time – follow good principles of time management, such as the 'do, delegate, defer & ditch' approach to determine what we should be doing with our time. Our greatest focus should be on our highest income-generating tasks. Ask yourself, is this urgent or important and prioritise the important. One way that I achieve this is with what I like to call my '3-to-5 List' as I know that I can only complete this many important things each day. Finally, consider our 'return on time investment' (ROTI), measure your equivalent hourly rate and so focus on the important/higher value tasks as you can justify paying for others to support you elsewhere.

Trust the process – on day one we are the business! However, as we grow, we can start to add in people and systems to take on more elements of the process. Business often follows a natural evolution.

Building your team – developing the last point a little, we should be mindful of the internal staffing, support functions, external service providers and professional advisors that we will need. This will shift and evolve over time. Also, know yourself and your strengths … it is better that you focus on what you are good at and let others pick up the rest, rather than try and muddle through in areas of weakness or even dislike.

You don't have to be alone – be mindful of the key influencers around you as they can build you up or tear you down too! Participate in or develop communities of like-minded people. Enlist the support of mentors, coaches and trainers at the right time.

PROPERTY REALITY CHECK

Property as an investment is an asset class, much like stocks and shares, bonds and precious metals. However, building a property portfolio or a property-related business can also be part of a wealth-creation or wealth-generation agenda. This also opens the possibility for certain offers, presentations and risks as a result of that. We discussed some of these opportunities and threats as a kind of reality check.

Key takeaways:

Don't believe all the hype

Is everything as good as it seems in reality? In order to get good answers, we need to ask good questions. Always look for the personal motive, ask 'what's in it for you?' or 'how do you benefit?' when you are doing business or investments with others. A win/win is perfectly fine, of course, but do make the effort understand exactly what 'win' looks like to both parties to then fully evaluate if it's a fair value exchange or not for you. 'Trust but verify' the information you are given, which boils down to doing your own due diligence rather than simply taking someone else's word for things.

Being real, authentic and genuine

In my view, we should aim to be and seek out people that are genuine, authentic and act in accordance with values that resonate with us. We should not adopt a 'fake it until you make it' approach, instead we should present ourselves in the best possible way and without the smoke and mirrors we sometimes see. This means showing what we know or have researched and how we have gone about things with our projects and investments. We should not post a picture of ourselves in front of a Ferrari if we don't own one!

Targets are arbitrary

Other people nor the universe particularly care if we have a five-year goal to quit work, so timings can and indeed do shift. That's not to say that we should let ourselves off the hook for missing our targets! Just remember that it's just a wish or a desire that we have set, more than any absolute or certainty, that's all. If we are making steady progress (also known as marginal gains or compound growth), adding value to others and growing personally along the way towards a purpose that we believe in, then we are doing OK. Don't forget that we tend to overestimate what we can achieve short-term and underestimate what we can achieve long-term.

Risk – profit and return come with the trade-off of risk ... that's a fact of life, as well as in business. Usually, the higher the return, the higher the risk too. So, we should have cash on hand and develop contingency plans to cover off the downside risk. Finally, remember that there are some significant consequences of getting things wrong as a developer or landlord. Literally, laws could be broken, and lives could depend on this, so always do your own research and due diligence and then make sure you act on what you discover.

Business can be boring at times

Doing the same thing repeatedly can seem boring but sometimes boring is also really cool! Boring can bring success, achievement of your goals and dreams and ultimately can enable you to do what you really want to do, when you want to do it and with whom you want to do it with too!

The content of just three videos from the 'Two Smart Buddies' mini-series discussion between Rupal Patel and myself transcribed into around 9,000 words and has provided the inspiration for this month's article. You can see these discussions in full over at The Property Voice YouTube channel or via The Property Voice website. In addition, if you want to connect directly with Rupal Patel, she can be contacted as follows: **rupal@blueinfinityproperty.com** or **www.blueinfinityproperty.com.**

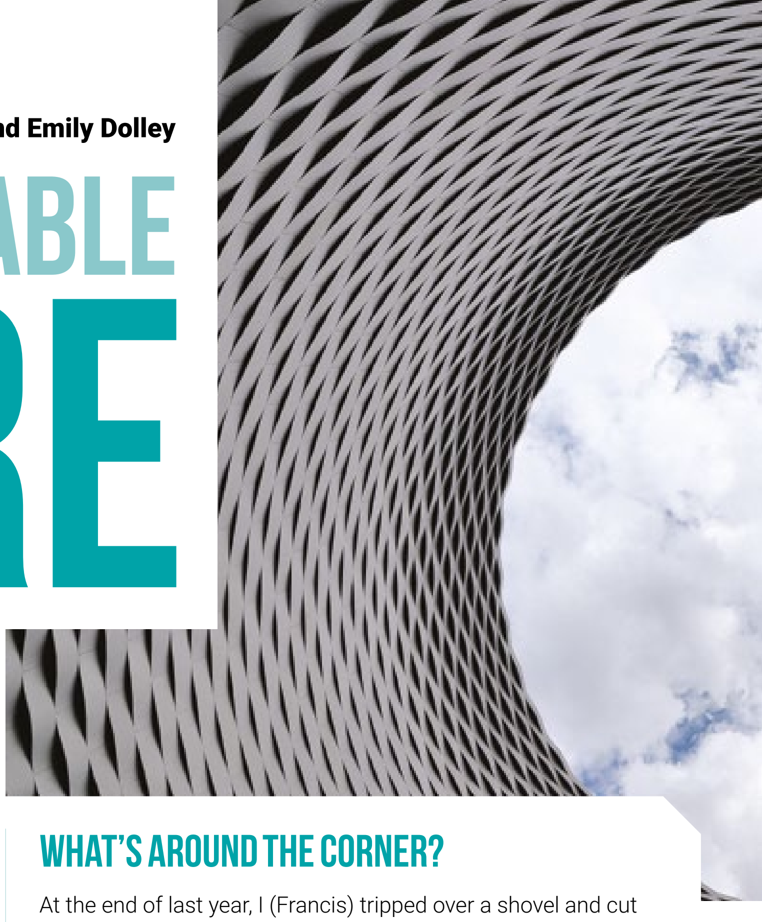
On a separate note, I would really like to get some feedback on how you are finding this column. Do you read it often or just now and again? Which articles have you enjoyed or benefited from the most? What else would you like to see me cover? I would be grateful if you would drop me a short line and share your thoughts and your current property experience, so that I can determine how best to write this column in order to create more value going forward: admin@thepropertyvoice.net or via The Property Voice social channel that works best for you. Thanks!

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

INSIDE RENT 2 RENT

By **Francis and Emily Dolley**

YOUR UNPREDICTABLE FUTURE



CONGRATULATIONS!

You made it to 2020 and now have another 365 possibilities available to you, and the sky's the limit. With the UK in such turmoil and the government seemingly having it in for property investors, many people are feeling apprehensive about what the coming year may bring … but that doesn't include us.

This is because we established our rent-to-rent business in Bristol some eight years ago, and created (for the first time ever) a truly recurring and totally predictable income and a business that's now 95% hands-off. Throughout those eight years, people have been constantly warning us of market saturation, changing legislation, mortgage restrictions, pending doom, etc. But we just ignored them and kept plodding on, doing something each and every day to both grow and streamline our business.

We now have very secure business with around 130 paying customers who are very happy to deposit money into our bank account on the first day of every month. **Young professionals will always need somewhere to live, just as there will always be struggling or retiring landlords, and it's a growing market.** While most people are predicting doom and gloom, we're looking forward another year of controlled growth, and are in fact employing a new member of staff.

WHY CHOOSE RENT-TO-RENT?

The biggest killer of any fledgling business is, and always will be, cashflow. Before we discovered rent-to-rent we used to buy two- and three-bedroom repossessions, refurbish and remortgage them to get as much of the money out as we could. We usually had to empty the piggy banks and raid the ISAs. It was often a ponderously slow process, and in the meantime we had very little actual cashflow.

Buying HMOs was the same and would normally take at least six months from the day of purchase until we had an actual paying customer putting money into our bank account. Then we discovered rent-to-rent and everything changed; the fastest deal took us three days from the day we viewed it until we had all rooms full with money in the bank. Plus, instead of the usual thousands spent on refurbs, we were now spending between £150 and £5,000 to get the property ready to let, and these properties were making as much or more than the properties we were buying.

We're not saying to put all your eggs in the rent-to-rent basket – it's good to diversify. But getting a handful of rent-to-rent deals set up early in your property career and getting them systemised and automated will remove some financial pressure and ensure you never suffer from boom and bust. Then you can diversify all you like.

WHAT'S AROUND THE CORNER?

At the end of last year, I (Francis) tripped over a shovel and cut my knee, and five days later found myself on a drip in hospital with life-threatening sepsis. I didn't see that one coming! The truth is that none of us can predict the future, but the day you choose to take responsibility for everything that does or doesn't happen to us in our life, is an extremely liberating day.

For us, being totally self-sufficient and never having to rely on another person to provide our income/lifestyle ever again was top of our to-do list. The UK's economy continues to undulate, and no-one is really sure if another recession is just around the next corner.

In his book Second Chance, Robert Kiyosaki reminds us that he was one of the few people who predicted the crash of 2007 (when the average UK house price fell by 19%) and that he also predicted it was actually a precursor to the big crash, which he says will happen in 2020 or thereabouts. Others say that house price forecasts only exist to make astrology look credible!

Whatever the future holds, unless you're in a strong financial position, we all know that things can get very tough indeed.

HOW MUCH TAX?

Several years ago, I bought a farmhouse with a barn to develop and had to pay a whopping £15,000 stamp duty of my own hard-earned money into the government's coffers. I posted a question on social media asking people to *list the number of extortionate taxes we are forced to pay in the UK: income tax, VAT, council tax, business rates, capital gains tax, corporation tax, inheritance tax, national insurance contributions, excise duties, insurance premium tax, fuel duty, vehicle excise duty, stamp duty land tax, air passenger duty, landfill tax, environment/green tax, gaming duties, dividend tax, TV licence, congestion charge, toll bridges, annual tax on enveloped dwellings, community infrastructure levy, alcohol and tobacco Tax.* Have I missed any? It seems like an awful lot of tax doesn't it?

People don't mind being fairly taxed, but many feel we are being taxed way too much these days, and are therefore being left with hardly enough money to actually enjoy life.

WINDOW TAX

Taxes are never popular, so you can imagine the outcry when in 1535, King Henry VIII tried – and failed – to introduce a beard tax (I kid you not!). Imagine that today?

But more than any other tax in English history, one tax was singled out for particular loathing. So much so that a new phase was coined for it: daylight robbery!

You've probably noticed bricked-up windows in many older properties. I'm of course referring to the infamous window tax. Like many English monarchs, William III was often short of a few bob, and so quite unbelievably, he concocted the highly despised tax on windows. From 1696 to 1851, any owners of properties with more than ten windows or with window-like openings (even if you couldn't afford the glass, you still paid the tax!), had to cough up extra money so that the king could surround himself with even more gold.

The general consensus was that this was taxing the very essence of life itself; light and air.

PERSONAL DEBT

Debt is encouraged in today's society (student loans, credit cards, etc) and consequently, personal debt per person in the UK is at an all-time high, at an average of almost £10,000 each.

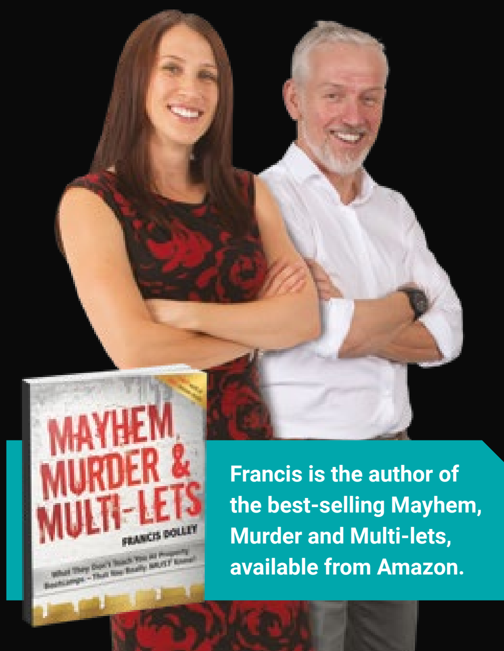
It would seem that most of us earn just enough to get by, with the annual holiday to dream about to keep us happy. For many years, entrepreneurs have been lobbying the government to include financial education in the schools' curriculum, but this has fallen on deaf ears.

Do you think that maybe the government don't want us to know and would rather keep us in financial shackles? Bearing in mind that this is not a dress-rehearsal, and this is our one time on Planet Earth, there must be more to life.

THE 5-STEP SOLUTION

The answer to this little problem is quite simple. Take a pen and paper and use the five steps below to take control of your financial future.

1. Spend some time writing down your every outgoing. Every single penny that leaves your bank account each month. If you're like us and most other people, you'll find many ways to save money and reduce your expenditure. Your goal here is to minimise your expenses – cancel unused subscriptions and gym memberships, re-mortgage to better deals, check utilities and car insurances are at the best rates, get the bike out and pump up the tyres … you get the idea. Make it a game to see how much you can save. When I did this I saved over £2,000 pa!
2. Now you have your financially free figure (FFF) and a target to aim for. We think it's a good idea to multiply this figure by 1.5, or if you're super confident, by 2, to give you a comfortable buffer.
3. An average rent-to-rent deal makes £800 net cashflow per month. Next, figure out how many £800s you're going to need to reach your FFF. **The average UK wage is £29,000 – equal to just three rent-to-rent deals. Many people secure between five and ten deals in their first six to 12 months of business. Can you see how powerful this is? Work really hard for six months, and your life will never be the same again.**
4. We're great believers in getting educated to fully understand legislation, and we suggest spending a little money (it doesn't have to be thousands) getting educated. Learn the basics, understand the contracts and become a part of a decent ongoing support group (our lively group has been running for over six years).
5. An important part of the puzzle, and one some people never quite master, is to spend some focused time getting everything systemised to minimise their management time to as close to zero as possible. If you don't do this, all you've done is create another busy job to replace the one you were trying to escape from. If you do this correctly, you can indeed run your rent-to-rents at almost 100% hands-off. **Ask us how we know!**



Francis is the author of the best-selling Mayhem, Murder and Multi-lets, available from Amazon.

BUILDING CASTLES IN THE SKY

PETE CRAIG

Interview & words **Heidi Moment**

Pete Craig discusses how off-site modular rooftop developments could be a possible solution to the UK housing crisis and why property investors nationwide should consider these opportunities.

Rooftop developments are starting to be recognised as part of the solution to our housing crisis, particularly in major cities. In March 2019, the Ministry of Housing, Communities and Local Government proposed changes to the National Planning Policy Framework to make it easier for developers and homeowners to add up to two storeys to an existing building under permitted development. While the change hasn't gone through yet, it looks certain we should expect cities to start growing in height over the next ten or twenty years. An exciting prospect for city living as well as for property investors.

A recent study by Knight Frank estimated £51 billion of unrealised potential value that could be released through residential rooftop development in Central London (zones 1 and 2). That equates to about 41,000 new homes, in London alone, just by going into the roof space of an existing building. If you extend that to the rest of the country the opportunities to create some stunning city centre homes or to maximise the value of existing properties are huge.

"£51 billion of unrealised potential in London alone"

OSM IS SIMPLE AND STRAIGHTFORWARD

Rooftop developments have been happening for the last 20 years using traditional methods, involving erecting scaffolding around the building and carrying the materials up to the rooftop to build the extra storeys. This method is still used today, but off-site modular construction makes the process more straightforward than ever before, with the option to develop using a variety of different construction solutions, including steel frame or timber frame volumetric module boxes.

"Where there's a roof, there's a possibility to build on top of it"

The planning stage is crucial. Developers work with manufacturers to make all the design decisions –kitchen, bathroom, tiling, flooring and finish – then the units are made in the factory and delivered to site ready for installation.

Lifting a fully finished module onto the top of a building means the installation happens in a much shorter period of time, so there's a lot less disruption to the street scene and existing tenants of the building, which is a key consideration for leaseholders and, therefore, the planning department.

©Go Modular Technologies (UK) Ltd - lift in on Mon early hours

FEASIBILITY

The biggest thing with this is feasibility - identifying whether a building is suitable for a rooftop development and identifying any potential challenges.

According to one of the top three solicitors in the UK who deal with roof space development, only 25% to 30% of all the roofs that are brought to them are feasible for development. So, either this is a tough market to crack or developers are just getting it wrong. As this industry develops and people learn the ropes, perhaps it's a bit of both.

Things to look out for include:

Telecommunications mast

Telecommunications companies have extremely rigid and powerful leases that are usually very long (around 1,000 years), so if there's a telecommunications mast on top of the building, it's very unlikely you'll be able to remove it.

> "Telecommunication masts are a no-no"

Aerials and satellite dishes

These indicate an element of prior use by existing tenants and although they can be moved (unlike telecommunication masts) they can add additional complexity and delays to a project.

Utility cupboards, light wells & lift shafts

Utilities like aerials and satellite dishes can also be moved. However, re-siting them can be a time consuming process. Consideration needs to be given to the connectivity of existing tenants, so they are only without these utilities for as short a time as possible. Light wells are important to ensure the right amount of light can enter the building. If your development covers a light well you may find yourself in breach of the existing tenants' right to light, which could render the project impossible.

Depending on their location, lift shafts may need to be re-sited, which means further disruption to tenants, so this needs to be planned well to limit disruption as much as possible.

Rooftop drainage

As you can imagine, adding another storey onto a building will change the layout of any drainage that is currently in place. This will need to be planned, re-routed and the existing drainage provision assessed to ensure it can meet any additional load brought about by the additional structure.

Evidence tenants have been using the roof for their own purposes

With these types of developments, you have to deal with a number of leaseholders who will more than likely not want the development to go ahead, for one reason or another. So, always expect some pushback. They have rights as leaseholders, so even if you are the freeholder you are still bound by the terms of the lease you've agreed with those individuals.

They have the right to the quiet enjoyment of their building, so if they are using the roof space you may find they are not prepared to give it up and they'll try to find some way to continue using it, usually by lobbying any planning application you put in.

All of the above will cause issues in moving the project along. But if the building you're looking at doesn't have any of these issues then it's worth moving on to the next stage.

FLAT OR PITCHED?

When you think of roof developments you may automatically think 'flat roof', so you might be surprised to find out that pitched roofs can be developed too, by removing the roof and adding one or two new storeys on top. It can be a little bit more challenging to remove the existing roof and, ultimately, it will come down to cost, but they are far less likely to have some of the other feasibility obstacles mentioned above, which is a huge benefit.

"The building's structural integrity will determine how high you can go"

The number of extra storeys you can add to a building is determined by the structural integrity of the building. All buildings have different structural capabilities so you'll need a structural engineer's report to confirm this. They will highlight all the load points and if you need to strengthen any areas or not, which will give you an indication as to how many levels you can go up.

Then the next step will be to go through planning, following the same process as usual. The difference with this type of project is that there are a lot of sunk costs to understand the feasibility and whether the project is going to be possible or not. So it pays to do as much as possible before you put the planning application in. This includes checking the roof space (as above) and getting your solicitor to do some early investigation into the type of leases the leaseholders have got. By chunking down the work you mitigate the risks as much as possible and hopefully can then go into the planning process knowing your chances of getting approval are high.

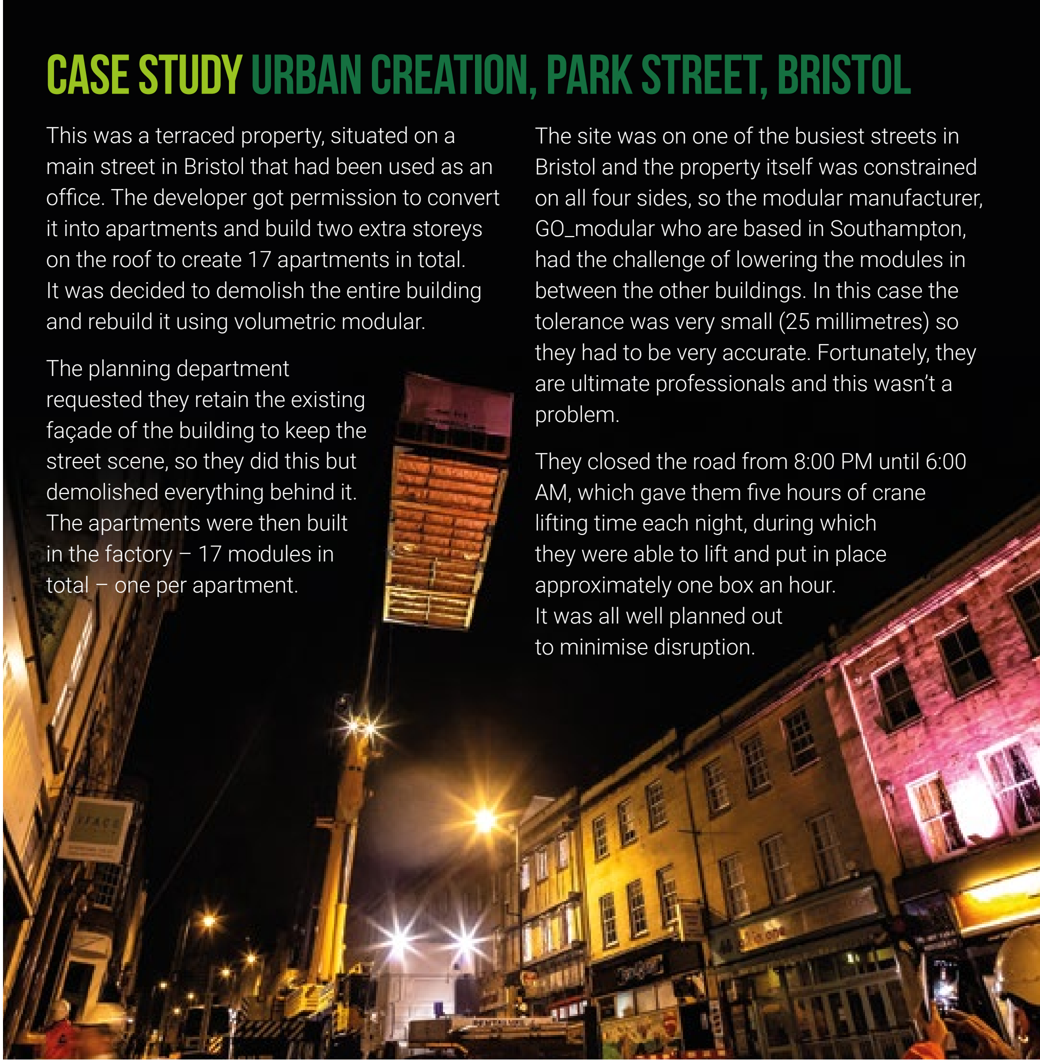
CHALLENGES

The biggest challenges come from a perspective of legalities and being able to assess the site correctly, but once you understand those things and have got the right team in place you can start to mitigate some of the potential risks and move forward.

Scaffolding can often cause an issue, particular with traditional construction. It causes a huge disruption to the leaseholders of the building, as well as the rest of the street and if it's a particularly congested street the planners may be very reluctant to disrupt it even further.

By using volumetric modular construction you can reduce the disruption significantly. As with all off-site construction the extra storey is actually built in the factory and the installation on to the roof only takes hours, rather than weeks. Often it's possible to close a road over night, so you can crane the modules into place during the night when the road is much quieter then open the road again in the morning. This causes much less disruption to everyone concerned.

CASE STUDY URBAN CREATION, PARK STREET, BRISTOL



This was a terraced property, situated on a main street in Bristol that had been used as an office. The developer got permission to convert it into apartments and build two extra storeys on the roof to create 17 apartments in total. It was decided to demolish the entire building and rebuild it using volumetric modular.

The planning department requested they retain the existing façade of the building to keep the street scene, so they did this but demolished everything behind it. The apartments were then built in the factory – 17 modules in total – one per apartment.

The site was on one of the busiest streets in Bristol and the property itself was constrained on all four sides, so the modular manufacturer, GO_modular who are based in Southampton, had the challenge of lowering the modules in between the other buildings. In this case the tolerance was very small (25 millimetres) so they had to be very accurate. Fortunately, they are ultimate professionals and this wasn't a problem.

They closed the road from 8:00 PM until 6:00 AM, which gave them five hours of crane lifting time each night, during which they were able to lift and put in place approximately one box an hour. It was all well planned out to minimise disruption.

BALLPARK COSTS

The cost of modular rooftop development is very similar to traditional development. It's hard to give an exact figure, as it varies depending on the project, but here's a rough idea:

Volumetric modular: £1,500 per square metre. Costs can go up and down depending on the internal spec and the complexity of the structure you're creating.

Connecting the services: around £1,000-£1,500 per utility (same as with a traditional development)

Crane hire and the transportation of modules from the manufacturing facility to your site: £850 per day (approx.) depending on where you are in the country, where your manufacturing partner is and how big a crane you need.

FUNDING OPPORTUNITIES

Historically, developments of this kind have been funded through private investors or using developer's own funds, rather than lenders. However, this is beginning to change and there are now a number of lenders coming into the space who are more comfortable lending against these types of developments.

In addition to that freeholders of buildings often do joint ventures with developers so the developer doesn't need to purchase the building. Councils also have access to funding where it's appropriate. So if you can find sites that have potential there's an opportunity to approach them to do a joint venture. It's just a matter of speaking to the right people.

"Most of the money is made in the planning and design"

TOP TIPS

Rooftop developments provide very exciting opportunities for our industry, but before you take the leap, remember these top tips:

Look for opportunities

Start looking for opportunities. Major city centres are the prime areas for this right now – London, Birmingham, Manchester, Edinburgh and Glasgow. So start looking at buildings and making enquiries to understand what's possible.

Do proper research

Make sure you that you do proper due diligence and assess all angles before putting your planning permission in. This will save you a lot of time and money.

Take things slowly

Don't rush into anything. Speak to solicitors and asset managers to make sure you know what you're getting into.

Good set up is key

A good setup is essential. As with any development, most of the money is made in the planning and the design. The execution is potentially where you could lose your money, so make sure the planning is done right, so the back end follows seamlessly.

Have a strong legal team

Make sure you've got a professional legal team who understand this type of development. You'll need someone who can gain a thorough understanding of the leases and the terms of those leases, and who is able to get the leaseholders on side in order for you to be able to move forward and have a chance of success with your application.

Work with an experienced manufacturer

It's crucial to work with a manufacturer who understands the complexities of working with roof space development. Go_modular are one such company, but there are others too. Ideally you want a manufacturer who offers to deliver a turnkey solution, as they'll work closely with you (the developer) to get aspects right, from the design to the installation.

CONTACT

info@bishopsgatetraining.co.uk

BISHOPS GATE TRAINING

YPN TOTAL SA

ARE YOU THINKING ABOUT STARTING A SERVICED ACCOMMOCATION BUSINESS?

ARE YOU PLANNING TO SCALE UP YOUR EXISTING SERVICED ACCOMMODATION BUSINESS OVER THE NEXT FEW MONTHS?

ARE YOU GETTING THE MOST FROM YOUR SERVICED ACCOMMODATION INVESTMENT AND MARKETING SPEND?

Demand for serviced accommodation is exploding! And it has become one of the most exciting property investment strategies around. That's both great … not so great.

Great because there is **huge demand** and **lots of opportunities**.

Not so great because it means increased competition and it's attracting the attention of the authorities.

It also gets confusing. Why?

There are lots of sub-strategies that fall under the banner of serviced accommodation. City apartments, corporate lets, holiday lets, contractor accommodation, B&Bs, hotels … aside from the catered vs self-catering debate, the nuances within each strategy can mean make or break for the success of your investment.

Making money from serviced accommodation means getting the right property in the right place for the right market – and delivering the right service. Above all, you must know and abide by the rules.

If you want to REALLY understand the opportunities, the potential, the realities and the rules and regs, then YPN TOTAL SA is for you!

TOTAL SA consists of fortnightly webinars with experts, advisors and active investors in this strategy. These sessions will cover what you need to know, along with deep-dive interviews with investors who are willing to bare all about their SA properties and deals to reveal the nitty-gritty of the business.

Members will also have access to a private Facebook group where you can discuss all things SA, pose your questions to the experts and get access to the full webinar library.

TOTAL SA webinars run twice a month, on Tuesday evenings at 8pm.

RECENT SESSIONS

17th December, when we talk to James Quinn about how to furnish your SA unit, what to expect for cost, service and what to include to impress your guests.

14th January we find out how Gillie Barlow runs her SA business and her tips, tricks and advice for starting out.

Make your serviced accommodation a TOTAL success! Join us today at www.yourpropertynetwork.co.uk/TotalSA

What members are saying …

"TotalSA fills in the missing pieces, absolute golden value, thank you"

NICOLA GRAHAM

"Very informative webinar last night, lots to digest."

DANIEL WILSON

WHAT WILL YOU DISCOVER?

Here's a taster …

The different types of SA

What properties are suitable and how should they differ according to guest type?

Finding suitable properties

How to do the due diligence on an area and the property.

Inspirational case studies

Investors will be sharing details of their deals – purchased and rent-to-rent – from city apartments through to rural and coastal holiday lets.

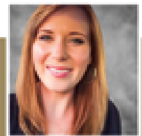
Finance and funding

How can you fund SA properties? And what are the tax implications of this business?

Fitting out

What fittings and furnishings do you need? What should you provide? Successful SA operators will show how they do it.

AS WELL AS MARKETING, CHANNEL MANAGERS, CHANGEOVERS, MANAGEMENT AND LOTS, LOTS MORE!



Webinars are hosted by YPN team member Michelle Cairns and SA specialist Richard Evans.

Join YPN TOTAL SA at **www.yourpropertynetwork.co.uk/TotalSA** to make your serviced accommodation business a **TOTAL** success.

RIGHTS OF LIGHT

AND HOW THEY COULD AFFECT YOUR DEVELOPMENT PLANS

GRAHAM KINNEAR

Many property investors will be familiar with the term *"rights of light"* but far fewer will be able to honestly say that they have given the matter any thought when assessing the development viability for a new build or refurbishment scheme.

The existence of rights to light can influence the massing of the development that a site can accommodate, or have an impact on the layout and development of buildings. You should bear in mind that if you are considering acquiring a site with planning permission, it is possible to have satisfied the local planning authority that there are no significant concerns in terms of daylight and sunlight amenity, but still have a potential right to light issue that could prevent the development proceeding.

Rights to light can impact all types of developments, so whether you are considering an extension, adding additional storeys or constructing a new building, you may have specific issues that must be addressed. Generally, where works are to be undertaken in close proximity to neighbouring properties, then the effects of the scheme should be considered before site works commence.

Increasingly, neighbouring owners are raising the issue of the development's effect on their light as a concern at the planning stage or claiming a right to the light. Indeed, you may have noticed the phrase becoming more regularly used in planning objection letters.

SO, WHAT ARE RIGHTS TO LIGHT?

A right to light is a right to receive uninterrupted light, passing across neighbouring land, into a window. If an owner has a right to light and the path of light is obstructed, then that is likely to be actionable through the Courts. As a consequence, you may have to alter your plans so as to accommodate the neighbours right to light.

The right to light may be expressly included on the title deeds to a property or may have been obtained via the Prescription Act in that the light has been enjoyed for an uninterrupted 20-year period.

Bear in mind that the light being referred to here is daylight provided by the sky. Therefore sunlight, artificial lighting, reflected light internally or externally are not considered in a right to light analysis. It is generally accepted that an adequate amount of light is the equivalent of the amount of light available one foot away from a candle. If the amount of adequate light in the room is reduced below 50-55% of the room area because of the development, then the loss of light is considered actionable in Court.

The law applies not only to residential properties, but also any commercial properties where there is a reasonable expectation of daylight. This includes schools, hospitals, hotels and the like. Given the requirement that there needs to be a reasonable expectation of daylight, it is considered that windows to bathrooms, stores, communal areas and garages need not be considered. A right to light can only be held in respect of light through a window and therefore construction on a neighbouring property which blocks light to a garden or car park cannot, by definition, obstruct a right to light.

Many people consider that older properties are more likely to have rights to light given that these rights can be obtained following more than 20 years' uninterrupted enjoyment. This is often true, however bear in mind that windows may have been moved over time, or temporarily covered over or a light obstruction notice may have been registered with the local authority. All of these things may defeat a claim that a right to light exists.

WHAT ARE THE PENALTIES FOR NON-COMPLIANCE?

Most rights to light matters are resolved via commercial negotiation between the parties. This normally means that a payment is made by the developer in return for the neighbour to surrender their rights to light. Clearly not all cases are capable of successful negotiation and therefore some end up in front of the Courts. The Court has the ability to grant damages by way of a financial penalty, and in more extreme cases, can order the removal of any part of the building which is interfering with the neighbour's rights.

If you are concerned that a project you are considering could have right to light issues, then I urge you to obtain some specialist advice at the earliest opportunity to hopefully avoid the costs of redesigning your scheme or having to make costly compensation payments.

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

Graham is the author of "The Property Triangle".

THE LONDON BUY-TO-LET MARKET

By **Chris Worthington**

This month I am departing from the usual market overview to focus on the London market. Prominent in the property press recently, our capital city seems to have attracted even more attention than usual, and it is where changes in the housing market are often made evident before cascading down to other cities. The success of the London economy also impacts on the South East, including the commuter towns.

The London economy has shown a remarkable resilience in the post-financial crisis years, especially in terms of employment growth and, despite Brexit, it is powering ahead. London is home to a thriving knowledge economy with international strengths in life sciences, tech and digital, cultural industries, advanced services and low carbon goods and services – the industries that will power future growth in the economy. It also has a highly skilled workforce and world-leading higher education institutes.

However new housing supply has failed to keep up with demand. In the past two decades, the number of jobs in London has grown by 42% and the population by 26%, but the number of homes has grown by only 16%. (Source: The London Industrial Strategy.) Improving the housing supply is therefore a priority and a wide range of large-scale mixed-use developments are either planned or already underway. Here are some details:

- **Southwark Council is leading a regeneration programme in the Elephant and Castle area providing 5,000 new homes.**
- **If the HS2 project goes ahead, Old Oak Common is likely to be the London hub with the potential for 20,000 new homes.**
- **The development brief for a 36-acre site owned by the Ministry of Defence in Hounslow makes provision for over 1,000 new homes.**
- **500 new homes have already been delivered in the 560-acre former industrial district at Nine Elms. Another 15,000 homes will be built by 2031 including new homes at the redevelopment of Battersea Power Station.**
- **The regeneration of the Old Kent Road area will include three new underground stations and 20,000 new homes.**

The scale of these developments far exceeds anything elsewhere in the UK and highlights the confidence that developers have in London's economic future. They will provide a wide range of opportunities for BTL investors.

I have one qualm – will the transport infrastructure in London keep pace with the new developments? It is already under strain and could be a future constraint on economic development.

Evidence for this comes from the relative year on year increase in house prices in the outer London boroughs compared with inner London as people have moved out in search of cheaper housing. This has rippled out to more distant locations such as Bracknell, Slough, Stevenage and Milton Keynes. These towns are successful in their own right with strong local economies. With house prices around half the average price in London, they may be a good option for BTL investors.

One of the key issues for small-scale BTL investors who want to invest in London is the price of housing. The average price of a property is around £460,000 compared with the average price in UK cities of around £260,000. What are the options for BTL investors on a budget? The outer London boroughs have some of the lowest house prices, including Barking and Dagenham (£296,000), Dartford (£312,000) and Croydon (£384,000).

A second option is to buy a one- or two-bed apartment in one of the above regeneration areas. This strategy will secure a low maintenance property with good prospects for capital growth as the regeneration project goes forward.

A third option is to buy a property in need of extensive renovation. According to research published by insurance company Home Protect, over 22,000 residential properties have been unoccupied for over six months in London. Many local authorities have schemes to bring them back into use with help from developers and investors. Estate agents may also help to identify long-term empty properties and some unoccupied properties may be sold cheaply at auction.

BTL investors also need to consider the trend in year on year increase in house prices. Here again the outer London boroughs have performed better than inner London with moderate prices of 1%-2% in the past year, whereas house prices in the inner London boroughs have fallen by up to 2%-3% in the past year. (Source: The UK Cities House Price Index published by Zoopla and property analyst company Hometrack.)

This raises an important question: has the London housing market reached a low point and is it ready for recovery? A recent article in the Times Bricks and Mortar property supplement reported that Prop Cast, an online property market forecast company, has used the metric of the percentage of houses on the market under offer to show that around half of London postcodes have had an increase in demand in the past six months. The hottest locations are in Waltham Forest, Bexley, Bromley, Lewisham and Greenwich.

A report produced by property search company Home.co.uk using the metric of asking prices also presents an optimistic view of the London housing market. It states that *"the London house price correction is complete with sales stock shrinking and a return to price growth."* Rents in London are also on an upward trend with year on year rental growth of around 2.3%, slightly above the UK average of around 2%. (Source: Zoopla Rental Market Report.)

TWO KEY QUESTIONS FOR BTL INVESTORS:

1. **Will the London economy continue its spectacular trajectory, driving the demand for new housing? So far it shows no signs of slowing down.**
2. **Is the London housing market set for recovery? I would probably want to see more firm evidence of that.**

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

WHY 2020-2025 IS THE BEST TIME IN HISTORY TO BE A PROPERTY ENTREPRENEUR

By **Dan Hill**

Happy New Year!

I trust you enjoyed a great festive break and are well fed, fully recharged and no doubt filled with New Year enthusiasm and motivation to make 2020 one of your best years yet!

There's great news for the start of the year. Due to many factors, some of which I will reference in this article, landlords, investors and property entrepreneurs are entering unprecedented times that offer unparalleled opportunity. In my opinion, as we embark on the imminent Gold Rush, this is the best time in history to get involved in property. I have picked out some of the main commercial drivers and surrounding economics to outline why the Gold Rush of 2020-2025 provides this unique opportunity, and how you can capitalise on it.

WHAT IS THE GOLD RUSH?

Whilst there are opportunities at all points within the property investing cycle, some periods are significantly more lucrative than others.

Two market conditions provide a lucrative landscape in property:

1 High volatility with high volume **2 Highly entrepreneurial market conditions**

The UK economy and property industry are displaying emerging signs of volatility due to a market and landscape of reducing confidence and increasing uncertainty – fear of recession in the headlines, Brexit pending, landlord tax changes and increasing regulation and legislation, to name just a few.

Couple this with record low interest rates, cheap finance, unregulated crowdfunding, access to a skilled worldwide labour force and government initiatives actively promoting small businesses, and you can see how the unique opportunity I refer to is emerging.

As the masses, from residential homebuyers to corporate developers, step to the sidelines to wait for the return of steady waters, property entrepreneurs can move in to seize this opportunity and capitalise on the most lucrative landscape in a generation.

Basic economics

Success in property is not a complex algorithm or a lucky roll of the dice.

As with all markets, the opportunity is based around the basiceconomic price mechanism. When supply is low and demand is high, we see a boom time shortage with high prices and low margins. The reverse, as we will see in this Gold Rush, is also true. When supply is high and demand is low, we have a surplus, which offers low prices and high margins.

High Volatility and Volume

Volatility

In the boom times – a growing property market that promotes mass confidence – the world is good. Doubling house prices in a decade don the front cover of national press, every sector loads up on bricks and mortar as the hot topic of the day, be it residential homes, investments or construction. Within this space, we experience high competition that compresses margins.

In times of uncertainty however, the game changes. Political and economic uncertainty cause the headlines to promote the fear of pending doom, gloom and bust, creating high levels of uncertainty and reducing confidence. This is when the masses move to the sidelines and property entrepreneurs step into a space of reduced competition. High volatility reduces competition and opens doors. Couple that with a simultaneous increase in volume, and things start to get very interesting!

While we have mass uncertainty in the market, a variety of unique market conditions – detailed below – provide an increase in volume and thus offer vast opportunities that cannot be missed. For those who are well-educated and strategically positioned, this is one of the key contributors to making the 2020-2025 Gold Rush one of the most lucrative periods in history.

Volume

RESIDENTIAL BUYERS

As the market loses confidence, homeowners tend to sit tight. As such, demand from the previously booming market of residential homeowners and first-time buyers is currently reducing.

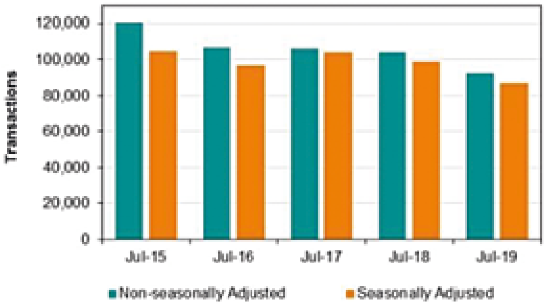
First-time buyers are bringing with them their own mini-economic shift as the millennial generation shifts into an 'access over ownership' approach. They prefer transient working with frequent relocation, and spending on holidays and renting rather than housing and home ownership.

Transaction levels were down 12.4% in Q2 2019, reducing competition levels for stock and thus stabilising a previously growing market, and in places starting to reduce pricing.

The baby boomers will also play a part in the surrounding economics through 2020-2025, but that is a whole other article in itself!

Chart 3: Year-on-year, both non-seasonally adjusted and seasonally adjusted residential transactions have decreased in July 2019.

Residential property transactions year-on-year comparison (July 2015 to July 2019).



BUY-TO-LET INVESTORS

The traditional BTL market has been an ever-increasing sector (in line with market conditions) since the launch of BTL finance in the mid-90s.

The national and local government in recent years, however, have placed increasing regulation and legislation on the sector, reducing margins and subsequent appeal.

Most recently, Section 24 (in the most basic of terms) moves the taxation on rental income for properties owned in a personal name from profit to revenue, by reducing/removing the ability to offset interest as an expense.

This four-year roll out comes into full effect in 2020, and will make many leveraged BTL investments completely unviable. With a high level of cost to restructure, a significant volume of landlords who have not yet adjusted to accommodate the change, will be forced to exit the market. In a reasonably short timeframe, they will dump stock in a motivated fashion into a low confidence market, thus further increasing stock levels, reducing prices and increasing opportunity.

Many of these BTL landlords, be they intentional or accidental, will not have the appetite to return. Their perception of the quick win and easy market they were accustomed to in the early days will have disappeared, thus reducing competition further.

Buy-to-let: a changing market

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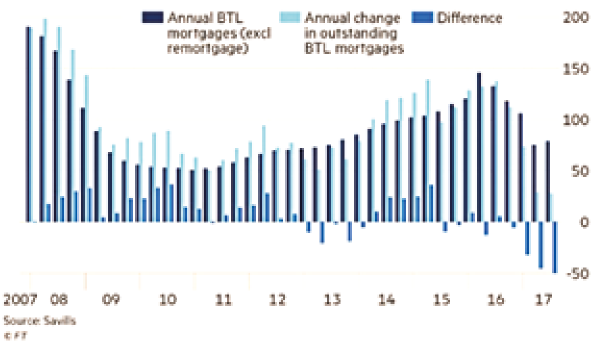


Private Rented Sector (PRS)

Whilst the volume of supply in the market is set to reduce, demand is set to significantly increase. This is due to a shift away from ownership preference from the incoming millennial generation, and coupled with increasing populations, lower levels of affordability and the national housing shortage, it presents the perfect storm.

Low supply and high demand continue to increase rents. At the same time, the opportunity to present well positioned stock to this market is set to become more accessible and as such, more lucrative.

This is the Gold Rush.

A phenomenal opportunity in a time of unparalleled economic positioning, within which high volatility and high volume presents the most lucrative landscape in a generation.

Of course, there have been previous times of similar economic turmoil. However, what makes this period unique is that in addition to high volatility, we have high volume and to top it all off, highly entrepreneurial market conditions. This is the icing on the cake for those educated in this field.

HIGHLY ENTREPRENEURIAL MARKET CONDITIONS

In 2019, 99.9% of all UK businesses were classed as SMEs (0-249 employees). Only 0.6% were medium-sized businesses (50-259 employees) and less than 4% were small businesses (10-49 employees). However, more than 95% are micro-businesses (0-9 employees). Actively promoted by the government through support and initiative, this is where you can truly come into your own as an investor or property entrepreneur when you know how to play the game.

As the Gold Rush fast approaches, some of the most highly entrepreneurial market conditions ever provide a unique time in history for you to get educated, get strategic and gear up.

RECORD LOW INTEREST RATES

Finance is available at some of the lowest rates ever, which makes well-considered fundraising for your portfolio and business an absolute no-brainer.

Whilst we did see a modest increase in base rates recently, with the level of uncertainty in the market, we are unlikely to see this rise any time soon. In my opinion, it is quite possible they may go back down to previous historic lows … and potentially even lower.

ACCESS TO PRIVATE AND MASS MARKET FINANCE

With such low rates, open market and private finance are both available at some of the cheapest levels ever.

In addition, peer-to-peer lending, crowdfunding and similar initiatives are currently operating in a no or low-regulation environment, making equity and debt raising quicker and easier than ever. Mark my words, we will look back on the crowdfunding space in years to come in the same way we do now on the 125% mortgage. This window of opportunity will soon start to close, and I would suggest it is something to explore through 2020.

As long as you understand the difference between good debt and bad, and retain a strong and well-structured balance sheet, if you're not leveraging this opportunity to take your property business forward in the months ahead, you will likely look back in years to come and wish that you had.

FAVOURABLE PLANNING CONDITIONS

Whichever space in the market you choose to operate, there are a wealth of favourable planning conditions that reduce risk levels to enable you to capitalise within this Gold Rush.

Be it permitted development, build-to-rent initiatives, airspace, high density and minimum space standard, master your local market and craft a strategy to execute as these opportunities won't be around forever. Now is the time to make the most of them and many can be coupled with additional incentives on eligible schemes.

GLOBALLY SKILLED AND FLEXIBLE LABOUR FORCE

Whilst unemployment in the UK is at a record low, the shift towards self-employment, access to international labour markets, performance-related pay and fixed-rate contracts allows you to leverage your time by outsourcing workload and increasing skills and capacity.

In the year ahead, define the resources you require to take your property business forward and explore the options available; they are far more accessible, affordable and significantly less onerous than you think.

HOW TO GET READY FOR THE GOLD RUSH

Approaching the year ahead, and ensuring you are well positioned to make the most of the best time in history, here are a couple of tips below to get you started:

1. **Liquidity.** Finance is available, but if the market gets as volatile as it could, traditional lenders and or their valuing surveyors may start to lock up. Cash is king, get liquid and it will be a VIP card to the highest-level margins.
2. **Master the market.** Study your local market, trends, shifts, data and economics to ensure you are well up to speed with exactly what is happening in the micro factors of your local market. You will likely be very surprised!
3. **Get ready.** Make sure you and your business are well educated in this changing time, as the masses are stepping back for a reason. Increased volatility brings increased risk.
4. **Timing.** Timing is everything! Get liquid, get educated, master your market and then know when to swing. The Gold Rush presents the best time in history to be a property entrepreneur. When you can master the basics and execute with timing, the opportunities for you are endless.

I wish you the very best for the year ahead! I am only ever a Facebook Live away in The Property Entrepreneurs Facebook Community if you need help and support. If you're not already a member, join thousands of other property entrepreneurs now, and I will keep you updated as the Gold Rush unfolds.

Those who make it now, make it big. Don't be the one that missed the boat!

All the best for 2020,

Daniel Hill

"Success and failure are both very predictable."

THE 2020-2025 GOLD RUSH

OUR PREPARATION

So how are we preparing for this period? At PPN UK, we are leveraging every opportunity we can within this unique economic landscape and have crafted the strategy outlined below. We will be executing it through the year ahead and into the Gold Rush.

PPN Portfolio Builder

This is likely to be the biggest year on record for our portfolio building company, as we gear up and head into the market to secure high return investments for our high net worth clients around the UK.

Manor House Developments

Following several successful years in the development space, delivering high density build-to-rent schemes to then sell on across the Midlands, we will continue with this model to deliver on our profit and asset strategies.

In addition, we will also be moving into the single let market, which is reasonably new to us. Our target is to acquire 50 single lets for our own portfolio with a spread equity gain of 20% over the next couple of years.

Multi-Let UK

Multi-Let UK now owns the largest network of HMO specialist portfolio management companies, and we will be further expanding this through 2020.

Property Entrepreneur

After a couple of years of aggressive growth, our property training programme will provide several new opportunities for landlords and investors around the UK. We teach a unique and proven blueprint that we have used to build 20 of our own companies and hundreds of others, many of which are industry leaders and award winning in their field.

HOW CAN WE HELP YOU?

There are only five core competencies you need to master and you can take the free test at the bottom of this article to see if you are ready for the Gold Rush. If you are serious about capitalising in the year ahead, book on our upcoming February three-day training event, The Property Entrepreneurs Journey at the back of this edition and we'll give you everything you need.

HOW TO DECIDE ON DIFFERENT OPTIONS WITH THE SAME PROPERTY

Mark Poole

Often in property, we are presented with several options for any given deal, particularly when considering a buy-to-sell strategy.

You might have the option of:

1. **Do nothing and sell it on (if you have bought well).**
2. **A light refurbishment and sell it on.**
3. **A heavier refurbishment and sell it on (perhaps involving structural work such as an extension).**
4. **Refurbish to a good letting standard and retain to let out.**

Each of these have different budgets, time to market, end values and onward implications around holding costs, risks and so on.

When buying a property with the intention of selling on, you should always consider multiple exit strategies in order to protect yourself. The ultimate fallback position is always to be able to rent the property out.

But given a number of exit strategies, how do you assess the best route to take?

- **Do you look for maximum absolute profit?**
- **Do you look for maximum return on investment?**
- **What about the different risks? A larger project will take longer, cost more, have more potential to go wrong and risk a downturn in the market when you're finally done.**

How do you choose?

THE ANSWER ISN'T IMMEDIATELY OBVIOUS

It is not always clear which option to choose. However, there are analytical techniques that help you determine the best relative route to take, which takes into account risk and returns.

Most property investors are comfortable with the definition of a **return**. In essence, this is the profit (or loss) on an investment, usually expressed as a percentage over a given period that the capital was invested.

The average investor concentrates overwhelmingly on the return, whilst neglecting the **risks**. A risk can be defined as the chance (or probability) of a given investments return being different than expected.

A fundamental concept in investing is the **relationship between risk and return**. Generally speaking, the higher the return then the greater the risk, since investors demand to be compensated for taking on the higher risk that the investment won't actually deliver the higher return.

How can you evaluate the various risk / return rewards for a given property investment strategy?

USING THE EXPECTED VALUE CONCEPT

This is a fundamental concept in probability. The **Expected Value** is the anticipated value for a given investment. It is calculated by multiplying each of the possible outcomes by the probability that each outcome will occur and then summing all those values.

This is best illustrated by an example. Let us consider standard roulette with 38 numbered slots. A straight bet on any single number will pay out 35 to 1. So if you had £1, would you take that bet? You are making a judgment on whether your investment of £1 will return £35.

The answer should be no. This is because the Expected Value (EV) of that bet is:

EV(£1) = -£1 x (37/38) + £35 x (1/38) = -£0.05

Put another way, you can expect to lose £1 if the roulette ball lands on any of the other 37 out of 38 numbers, but you can expect to win £35 if the roulette ball lands on the one number out of 38 that you chose to make your £1 bet on.

This means that an investment of £1 will expect to lose 5p on average. This is not an investment you would want to make and is exactly why the casino wins in the long run. This is why you never meet a poor casino owner!

If we can make an educated reasoning, using our knowledge of the macro-economic picture for the property markets in which we operate, of the probability of various investment outcomes, then we are in a position to compute the Expected Value of a given property investment or strategy that has a range of outcomes.

But property trading usually involves expenses. You can choose to do a basic refurbishment, a full refurbishment, or none at all. Further, there are often finance or holding costs to consider, which are larger the longer you retain the property on your books, as would be the case in a full refurbishment or something like a lease extension on a flat.

How do we pull all this information together when working out the Expected Value?

PUTTING IT ALL TOGETHER WITH A DECISION TREE

A **Decision Tree** is a tool that allows you to analyse and choose between several courses of action and form a balanced view of the relative risks and rewards between them.

It allows you to calculate an Expected Value for each option you are considering for your property. The option with the highest Expected Value should be the option to choose.

This is best illustrated by way of example. Together with a business partner of mine, we did a very quick buy-to-sell deal, using an unusual strategy: buying through an estate agent and selling back through an auction. This isn't an obvious strategy that naturally occurs to most property traders.

The property was a two-bed flat, in a tired state of repair and with a short (49 year) lease. It was on the open market with an estate agent in Leicester. It was brought to our attention by a local estate agent partner. With a strong local sales market, this property was perfect for a buy-to-sell. After some negotiation, we were able to secure it for £62,500.00.

It was by using a Decision Tree that we decided the best expected outcome for the sale of the purchased flat was, in fact, through auction.

Let's consider the main options we considered:

A Perform a very light refurbishment, leave the lease as-is and sell on through an auction.

B Perform a full refurbishment, extend the lease and sell on through an estate agent.

C Perform a full refurbishment, extend the lease and remortgage to a sensible LTV and retain to let.

Note that there are many other options, but these were the main ones we considered for the property.

From the point of view of return on investment, we utilised a Decision Tree and Expected Values.

In our case, the flat not only needed a refurbishment but also had a short lease. Is it worth extending the lease, or leaving it as is?

Let us consider one branch of this tree: Option A.

By considering market values and talking to local auctioneers on the strength of the auction rooms in the current market, we determined that a reasonable reserve value would be £74,000. We reasoned that we were 60% confident that the reserve would be achieved. In addition, we were 20% confident that we might achieve more than the reserve, with a likely top value of £78,000. We also had to consider the chance of the property not reaching the reserve, which we assigned a 20% chance of that happening.

So in summary:

- **20% probability of achieving up to £78,000.**
- **60% probability of achieving the reserve of £74,000.**
- **20% probability of not making the reserve and failing to sell on the day.**

Note the probabilities should sum to 100%.

What is the Expected Value of the auction sale?

This is calculated as:

EV(Auction Sale) = (0.2 x £78,000) + (0.6 x £74,000) + (0.2 x £0) = £60,000

Therefore, on average, we expect to return £60,000 on this property from an auction sale. Notice this isn't actually an achievable value – if we don't hit the reserve of £74,000 we won't achieve any sale. It is an Expected Value of the investment, given the stated risks (probabilities) and returns (sales values). Much like the Expected Value of the roulette bet was a loss of 5p. This can't actually be achieved. You either lose £1 or win £35.

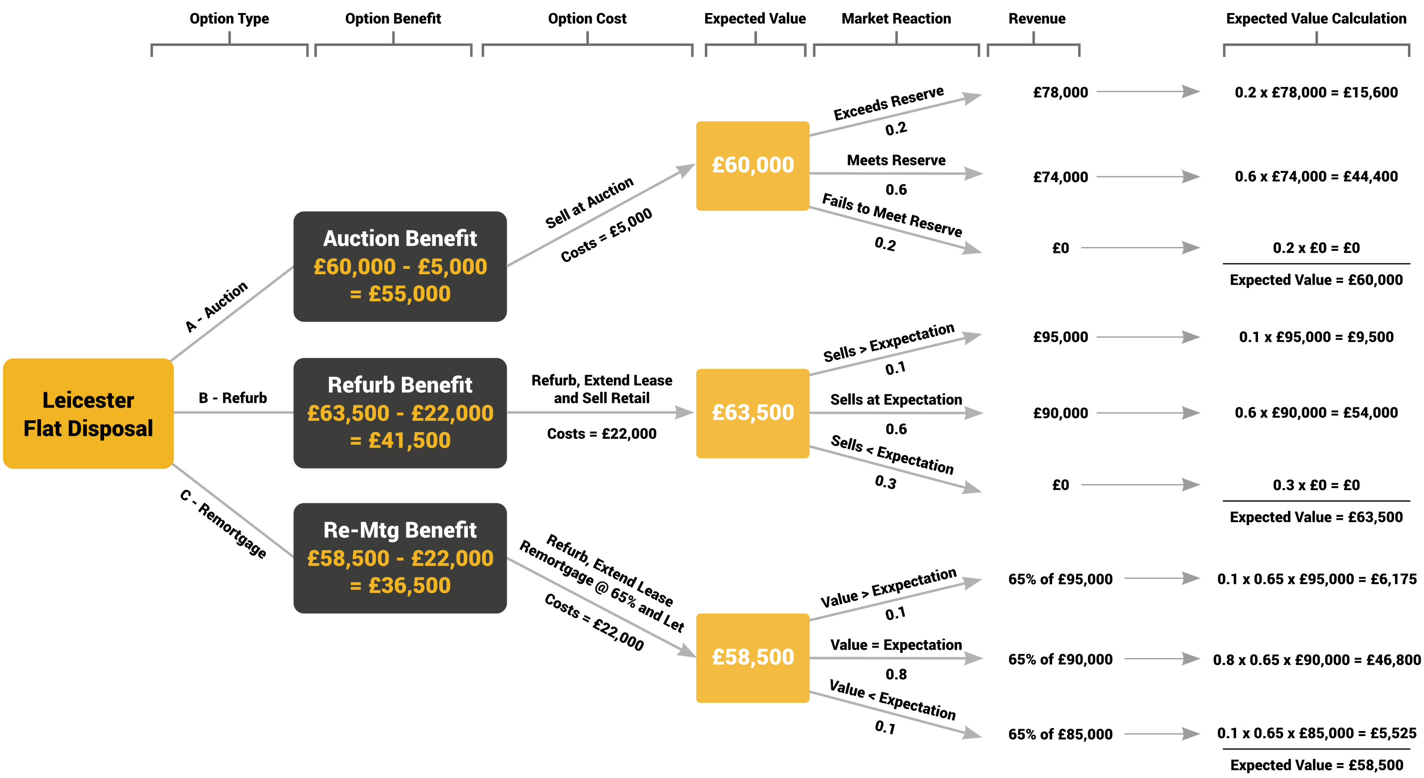
Now we have expenses to consider. A very light refurbishment would be in order, consisting of redecorating and new carpets to freshen it up, but no work to the kitchen or bathroom. There are also auction fees, capital holding costs and so on. In total we would expect to spend £5,000. Since each option includes purchasing the property, we can ignore purchasing costs for this analysis as they are the same in each case.

Taking expenses into account, this means we can say that the benefit of selling at auction would realise £60,000 - £5,000, or £55,000.

Again, this is not an absolute realisable figure. It is the relative benefit of option A and can be compared with the other relative benefits of option B and C to determine the best option to take.

Comparing the options

If we continue this analysis for all options, we get the following Decision Tree, shown below.



Note that the larger refurbishments needed in option B and C incur larger costs, reducing the expected net benefit of taking that option. For option C, we considered the amount of capital we could refinance back out at a sensible loan to value.

It is clear from this analysis that option A of selling through auction gives the largest relative expected benefit, so this is the option we chose.

And what of the outcome?

Well, the property went to auction and achieved a sales price of £77,500, right near the top of our market assessment, validating our decision. See Case Study 1 for the breakdown of profit and expenses.

HOW SMARTER THINKING HELPS AVOID A CATASTROPHIC LOSS

Note that tools such as Decision Trees and Expected Returns need accurate market knowledge to provide sensible input values. We need strong local knowledge of market values, refurbishment costs and local demand in order to make informed decisions about expected end sale values. The Expected Value and Net Benefit is sensitive to the input values and assigned probabilities and so sufficient thought must be given to make these as accurate as possible.

The more astute of you will notice that if an auction sale returns a net benefit of £55,000, then with a purchase price of £62,500 we will, on average, lose £7,500, not unlike the casino roulette example mentioned above.

This would be correct if the £62,500 spent on the property was a true sunk cost. The beauty of property as an investment is that it retains an intrinsic value. Note that in this example, all options actually remain available. Should this flat not have met the reserve at auction, then we still own it and options B and C were still viable. We would have gone with the next best expected net benefit, option B. If we couldn't achieve an expected asking price of £90,000, then option C was available to us.

Remember Expected Values are not necessarily realisable returns. In Option A, we would either return £74,000 or more (the property met or exceeded the reserve value), or we would have lost £5,000 (our sunk costs should the property not have met the reserve).

If, instead of property, the £62,500 was (eg) earmarked for investment into the development and marketing costs of a mobile phone app, with an expected net benefit of £60,000, then that is not an investment you would want to make. This is because the £62,500 invested is a sunk cost, lost forever should the mobile app not make the returns you expect.

This is a good example of limiting the downside and avoiding catastrophic financial disasters which will wipe you out.

CASE STUDY 1

This property was part-funded by a private investor, who wanted a good return on his money. This enabled us to buy with speed, a prerequisite when you have the opportunity of a good deal.

The headline figures are:

Revenues

Sale	**£77,500.00**
Cost	**£62,500.00**
Gross profit	**£15,000.00**

Expenses

Stamp duty	**£1,875.00**
Search fees	**£200.00**
Insurance	**£134.50**
Refurbishment	**£689.68**
Legal fees	**£1,570.20**
Auction fees	**£1,500.00**
Investor return	**£1,200.00**
Net profit	**£7,830.62**

Not the biggest profit in the world, but a decent return for a very short period of ownership and very little work. Since we borrowed the bulk of the funds from a private investor, this was a healthy return on our money. The downside risk was low, as we always had other options for this property as described. This is important whenever you are undertaking any kind of buy-to-sell strategy: always have at least one other back-up plan!

GETTING STARTED

There is a lot to take in, not least because there is some mathematics involved! But how do you get started with your own particular deals? Perhaps you are looking at completely different options. If you would like a free guide to how to build your own Decision Tree, then please visit **http://www.smarterpropertyinvestment.com/ypn-decision-tree** and one will be sent straight over!

As ever, if you have any questions please feel free to contact me.

GET IN TOUCH

Graduating with a PhD in mathematics, Mark is a change management consultant with over 20 years' experience and has been a landlord since 2003. His portfolio is concentrated primarily in Swindon and London. He can be contacted on **mark@smarterpropertyinvestment.com**.

THE PLANNING QUESTION: A SOLUTION FOR SERVICED ACCOMMODATION?

By **Jon McDermott**, TP Experts

The 2019 General Election has showcased the primary issue with SA. The Labour Party's Report "Land for the Many" included the following statement:

"Holiday home restrictions

We recommend that two new categories of Use Class under the Town and Country Planning (Use Classes) Order 1987 (as amended) are introduced for second homes and furnished holiday lettings. Residential dwellings are currently categorised as C3 or C4. We propose the following categories:

C5 – Second Homes in which there is no permanent resident (a number of tests including entries on the electoral register, and the type of insurance cover, could be devised to police this);

C6 – Furnished Holiday Lettings. These are already defined in detail under income tax rules.

Use of a building as C5 or C6 would require planning permission. Local authorities should be required to set out a strategy for the proportion and location of C5 and C6 properties in their area in order to give some guidance to individual case decisions. Factors to be considered would be the need to balance the requirements of the tourist and leisure industries with the housing needs of local residents, and to maintain sufficient density of permanent residents to support vital infrastructure such as schools, shops, pubs and post offices.

C5 and C6 permissions should be time-limited to 5 years to allow the proportion of C5 and C6 properties to be varied over time to adapt to changing circumstances.

We recommend that all existing second homes and Furnished Holiday Lettings properties will need to gain planning permission, with no exemptions based on current use. However, this could be phased in over an extended period to allow for orderly sales of second homes and Furnished Holiday Lettings properties that fail to gain C5 or C6 permissions. It may be possible to design the system for allocating permissions so that it raises revenue too."

At TPX, we have been predicting this for a while. The serviced accommodation puzzle has been growing in planning circles over the past year and we have started to notice a sequence of decisions taken by local planning authorities to attempt to classify SA:

In Appeal decisions APP/Q0505/C/18/3196460 -

- **Flat 3, Roman House (Marino House), Severn Place, Cambridge CB1 1AL,**
- **Flats 6, 7, 8, 9 & 11 Roman House, Cambridge CB1 1AL, and**
- **Flats 1, 2, 3, 4, 5, 6, & 7 Florian House Cambridge CB1 1AQ,**

Inspector Wharton concluded that:

"From the submissions it is clear that there is a tremendous range of lets (in terms of lengths of stay) which have occurred since the business commenced. Having considered all of the submissions I accept that, in certain circumstances, the longer lets (say 60 to up to 89 days even) can, as a matter of fact and degree, start to become indistinguishable in terms of character of usage from a 6 month ASTA let. The pattern of usage of a person or a couple occupying a flat for say 2 or 3 months (as a corporate let) in some cases might hardly be any different to a let of 91 days.

At the other end of the scale (1 or 2 nights or up to a week) however, I consider that there can be significant differences in character of usage. Having considered these extremes, I share the Council's concerns about the effects of the shorter lets. I acknowledge that recently the shorter stays have reduced in number, due to the market conditions and a subsequent change in letting policy. However, what has been operated, in effect, is an open-ended letting policy for any period of between 1 night or 89. Thus the potential for shorter lets would remain and it is these which, in my view, are distinctly different in character of usage than a typical Class C3 use."

WHAT IS SA?

Serviced Accommodation is normally a fully furnished apartment, house or single room within a house that is available for short-term or long-term stay, providing hotel-like amenities such as room service, housekeeping, a fitness centre, a laundry room, and a rec room. Most are equipped with full kitchens, Wi-Fi and other facilities.

Companies frequently use serviced accommodation to host professionals who may be on a local or international work assignment. It is common for executives to stay in serviced accommodation while searching for a permanent residence or relocation. Although serviced accommodation is primarily occupied by business executives, they are also available to the general public.

Serviced accommodation units offer facilities much like an apart-hotel, but provide more space, convenience and privacy. They have private cooking facilities – sometimes a kitchenette, sometimes a full-size kitchen with dishwasher and washing machine – living and sleeping areas that are larger than most standard rooms, and often have access to gyms, restaurants, meeting space, concierges and other hotel-like services.

HOW SA HAS EVOLVED

The term 'serviced accommodation' is an Americanism imported to describe the whole of the SA phenomena that has been a feature of the UK property development market for the last 10 years. Until then, the UK had three distinct forms of SA:

- **Traditional hotels, guesthouses and boarding houses**
- **Apart-hotels**
- **Holiday lets**

Since SA has become more attractive to investors, the lines have blurred and many interpretations of the same use have been postulated.

THE LONDON ISSUE

The Greater London Council (General Powers) Act 1973 started a sequence of control, which sought to limit the extent that Serviced Accommodation could operate within the Capital. In Section 25 (provision of temporary sleeping accommodation to constitute material change of use) the government legislated that a dwelling used as what was then called temporary sleeping accommodation, would constitute a change of use out of dwellinghouse and into something else – the something else was not specified.

Under the GLC(GP) Act 1973 Homeowners letting their home for a period of more than 90 days used to require specific planning consent from their local councils.

The Deregulation Act 2015 changed this position by amending Section 25 of the previous act:

"25A Exception to Section 25

(1) Despite Section 25(1), the use as temporary sleeping accommodation of any residential premises in Greater London does not involve a material change of use if two conditions are met.

(2) The first is that the sum of—

(a) the number of nights of use as temporary sleeping accommodation, and

(b) the number of nights (if any) of each previous use of the premises as temporary sleeping accommodation in the same calendar year, does not exceed ninety.

(3) The second is that, in respect of each night which falls to be counted under subsection (2)(a)—

(a) the person who provided the sleeping accommodation for the night was liable to pay council tax under Part 1 of the Local Government Finance Act 1992 in respect of the premises, or

(b) where more than one person provided the sleeping accommodation for the night, at least one of those persons was liable to pay council tax under Part 1 of that Act in respect of the premises."

If you are living in London and are thinking about opening your home to guests on Airbnb, Booking.com or any other of the platforms for SA, you will have heard of the 90 Day Rule.

From January 2017, Airbnb automatically limits the availability of entire home listings in the Greater London area to 90 nights per calendar year.

Simply put, if you live in London and put up your whole home on Airbnb, you are allowed to have guests stay for a maximum of 90 nights a year – Airbnb even has a handy 'nights booked' counter so that you can see how many nights you have left. Once you have reached your limit, Airbnb will automatically close your calendar for the rest of the dates in that year, and guests will not be able to stay in your home unless their booking dates fall within the next calendar year.

Other platforms are not so open about the 90 Day Rule. However, breach of the rule results in a breach of planning control, which may have an effect to mortgage terms and your business going forward.

OUTSIDE LONDON

Different councils still take different views on SA.

- **As recently as October 2019, Oxford City Council took the view that SA was a material change of use after 140 days, and a material change of use to a sui-generis (Unique Use).**
- **In Wales, SA is controlled at the Welsh Government Level and is considered a Material Change of use as it is a unique use from day one.**
- **Bournemouth, Christchurch and Poole Councils have a Supplementary Planning Document (SPD) on the subject, considering it sui-generis from day one.**
- **Southend Borough Council considers it a Class C1 use from day one.**
- **Cornwall Council considers it a Class C3 use as holiday accommodation.**
- **Bosworth and Hinckley Council have recently ruled that it is a sui-generis use.**
- **And, as per the aforementioned appeals, Cambridge City Council now consider it a fully sui-generis use.**

Where does SA fit in the use classes order?

The problem is that SA can fit within one of the available use classes, and knowing how you operate is important to guide where it fits.

C1 Hotels – Hotels, boarding and guesthouses where no significant element of care is provided (excludes hostels).

More traditional SA units fit neatly within the hotel class, where the accommodation is more akin to a hotel, where the length of stay is shorter and in-room facilities are naturally limited to exclude cooking facilities. Travelodge fits within this SA type as there is no real on-site catering.

Halls of residence for students also fall within C1.

C2 Residential institutions – Residential care homes, hospitals, nursing homes, boarding schools, residential colleges and training centres.

This reflects the care home/nursing home-type use, where there is organised care. McCarthy and Stone amongst others provide longer term SA for older persons within Class C2.

C3 Dwellinghouses – This class is formed of three parts:

- C3 (a) covers use by a single person or a family (a couple whether married or not, a person related to one another with members of the family of one of the couple to be treated as members of the family of the other), an employer and certain domestic employees (such as an au pair, nanny, nurse, governess, servant, chauffeur, gardener, secretary and personal assistant), a carer and the person receiving the care, and a foster parent and foster child.

  This is where some councils fit SA. The difficulty with this class is that small self-contained SA units converted from a large house are taken as dwellings individually and in their own right. The tests for what is a dwellinghouse are set out in law. If you're renting a single house outside of London, or where the council has exerted special control, this is where SA for holiday homes commonly sits.

- C3 (b) covers up to six people living together as a single household and receiving care, eg supported housing schemes such as those for people with learning disabilities or mental health problems.

- C3 (b) is commonly used by companies (the corporate let) or by councils providing respite/assisted living. This needs a supported housing scheme to back the SA provision.

- C3 (c) allows for groups of up to six people living together as a single household. This allows for those groupings that do not fall within the C4 HMO definition, but which fell within the previous C3 use class, to be provided for, ie a small religious community may fall into this section, as could a homeowner who is living with a lodger.

  This Class is for a community-type of SA such as a monastery, convent or similar. This is also where the homeowner and lodger principle of SA arises from.

C4 Houses of multiple occupation – Small shared houses occupied by between three and six unrelated individuals, as their only or main residence, who share basic amenities such as a kitchen or bathroom.

Small HMOs are well known and well understood. SA fits neatly within this class if the tenants are on ASTs rather than licences, and the length of stay is greater than six months.

Sui Generis – Certain uses do not fall within any use class and are considered sui generis. Such uses include: larger houses in multiple occupation, hostels providing no significant element of care and SA units where you or the council consider it does not fit within any of the above. This is where the Cambridge case has dropped most SA uses.

In such decisions, the council will often default to the reasonable person test, otherwise known as 'the man on the Clapham omnibus' test. This hypothetical legal test revolves around the question of 'what does a reasonable person think?' and is a good practice to initially judge what a use would be.

To assist, the following checklist below is set out to help. However, this is always subject to local interpretation.

C1	**Short term (less than a month stay)**
C2	**Provision of nursing care Hostel (SG) – Between a month and five months' stay**
C3a	**Holiday lets to a single family (council specific)**
C3b	**Assisted living**
C3c	**Single lodger or religious community**
C4	**HMO (more than six months' stay) no more than six people, primary place of residence**
SG HMO	**More than six people, primary place of residence**
SG	**Serviced accommodation (none of the above)**

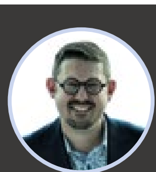
The best offence is a good defence SAs often have a reputation with councils, especially where they have caused harm in the past. When working with a council it is best not to appear combative or try to game the system because SAs may fall within a grey area.

It is best to establish with your council what their individual policy is (if they have one), or agree a way forward that would be applied across their area.

SOME CONCLUDING THOUGHTS

The disparity in council behaviour towards SA and the recent decision of the Inspectorate to dump it into the sui-generis use indicates the need for whichever government we have, to provide guidance on this precise point of planning law. Unfortunately, allowing the market to carry out an adjustment is not enough anymore, as a new Americanism will just take its place (what is co-living anyway?).

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



Investment, Inheritance and the property SSAS pension

Paul & Annie Allen

Accountants, Property Investors and Developers

For ex-accountants, Paul and Annie Allen, investment and finance have long played a part in their working lives. However, adding a property SSAS (Small Self-Administered Scheme) pension to their retirement and legacy planning, has added another level of value to their strategy and capacity to invest and grow.

Already owning a hotel, storage units and buy-to-lets, the Allens had a very healthy portfolio. However, they were all too aware of the imminent implications for inheritance tax their son would be faced with, once they were gone. The SSAS pension had been mentioned to them some years ago as a possible solution to some of their frustrations. At that time, the advice given left them less than confident. Having read in the news about other people being stung by scams, coupled with just their own internet research at the time, they didn't feel confident enough to follow it up. That was all set to change a few years later when they attended the Maidenhead PIN and heard Mike Holt speak about the SSAS pension. "It was after that event that Mike Holt of The Landlord's Pension introduced us to one of their lead consultants, Simon King, who sat down and talked to us about our options". In Annie's words, "We were both accountants so had worked with pensions and investments, but we had a lot of questions still. Simon spoke to us in down-to-earth, sensible terms without the 'legalese' jargon".

Paul and Annie's initial experience of undertaking their own research and the lack of reliable, uncomplicated information available, is a common thread heard by The Landlord's Pension upon first contact with potential clients. Company owners hear about the SSAS pension but they are then discouraged, as the process of setting up a SSAS is complicated by IFAs and advisers. The flexibility, control and other unique benefits of the SSAS pension get buried beneath ill-explained process and unnecessary jargon, leaving the client confused. The Landlord's Pension are quick to dispel this misconceived information and this will be clearly evident from your very first contact with one of our expert advisers.

As Annie Allen explains, "Even from first contact with The Landlord's Pension, we were put at ease. We are both accountants but we still had loads of questions and needed some support. Talking to Simon allowed us to understand, and discern, 'this is do-able!'.

For Paul, having the support of The Landlord's Pension meant down to earth answers, specific to their personal strategies and goals. "When you read of stories in the press, such as the Neil Woodford scandal, it makes you far more cautious. However, all concerns were addressed by The Landlord's Pension straight away and I felt totally comfortable and assured that I was working with experts".

The Allens have now had their SSAS set up for about 12 months. "The process was uncomplicated and clear. Teresa from The Landlord's Pension was marvelous in managing the transfers and chasing up any paperwork required. Everything was dealt with, with patience and good humour, which left us totally at ease, throughout". Paul is keen to add that The Landlord's Pension are able to offer different levels of support and advice for different people and different circumstances. "We found that Simon really listened to what we wanted, rather than impose opinion. It isn't just a 'one size fits all' service".

> **"The Landlord's Pension gave us confidence that what we wanted to achieve was all do-able"**

So, what are the Allens doing with their SSAS? "Well, our interest in the SSAS was first sparked by the legacy aspect. We already had a portfolio and were keen to secure our assets and ensure a tax efficient inheritance for our son", Paul clarifies. "We also wanted to be in control of our own destiny". Paul and Annie's plan is long term. They are not ready to retire too early so they are busy picking up profitable investments and ensuring their son is learning along the way. "We have a pot to play with now, financial sense and the knowledge and confidence The Landlord's Pension have given us", Annie describes. They are in a position to invest via small loans to developers, in addition to their properties. As Paul expresses, "The next 5 years will be interesting; the high street is changing, business is changing. We are now in a position to move with the changes, all the while protecting our assets within the SSAS". Our legacy is secure and our investments and our business are tax efficient and growing our pot"

"Anyone who is a business owner and wants to have more control over their pension, their investments and their future, really would be wise to look at a SSAS pension" – Paul & Annie Allen

THE LANDLORD'S PENSION

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★★★★★

ARE LEASE OPTIONS THE STRATEGY FOR 2020?

By **Mark Lloyd**

Continuing on from my article on lease options in the September issue, I thought this month I would take the opportunity to share another case study with you to highlight how this strategy can form an important part of your investing plans in 2020.

The lead came via our website, and it hit my inbox at 2pm on Christmas Eve – what does that tell you about the motivation of the seller? (And me of course, to be still working at 2pm on Christmas Eve!) Anyway, I decided to call back straightaway, as the vendor must have been extremely motivated to be filling out an enquiry form on Christmas Eve ...

I spoke to a lady called Claire, who explained that their flat had been on the market for over three months but hadn't had a single viewing. She and her husband had already moved to another area due to her job, and they really needed to sell. I asked about their current mortgage terms and payments, and ended the conversation by telling them not to worry and to enjoy their Christmas. I was fairly sure that we could sort this out for them, so we agreed to meet in January.

SO WHAT WAS THEIR MOTIVATION?

Well clearly they had a double whammy as they were paying for two mortgages and two lots of expenses, so the drain on the household was around £1,000 per month. It was starting to hurt, and I knew that if we could solve that, then a deal could be done.

Prior to the next meeting in January, I carried out some due diligence on the area and prices. I also searched the Land Registry to check when they had purchased the property, whose name it was registered to, the price they had paid and who the mortgage was with. My research suggested that the property was worth around £130,000 – why then, was it on the market at £165,000?

> A lot of newer investors wrongly assume that vendors could rent their property out themselves – but the fact is that most don't want to, as they are concerned about bad tenants and having their property trashed.

On the phone, I had established that Claire and her husband had taken out a 125% mortgage with Northern Rock (and you wonder why they got into trouble?), so they owed £165,000. They had used £20,000 to buy an apartment overseas, leaving £145,000 owing on the mortgage and secured on the flat in question. Their mortgage payments were £750 per month, but the deal they were on was due to change six months later to £575 per month. My due diligence suggested that the flat could be rented out as a single family let for between £800 and £850.

One of the first questions I asked at our meeting in January was whether they had considered renting the property. They had, but they couldn't be bothered! A lot of newer investors wrongly assume that vendors could rent their property out themselves – but the fact is that most don't want to, as they are concerned about bad tenants and having their property trashed. We discussed the likely current value of the property to be around £130,000, but at that level, they couldn't sell due to what they owed on the mortgage. How would you put the deal together?

With options, there isn't a one-size-fits-all, so this is what we offered:

- **A monthly amount to cover the mortgage. In this instance, we agreed the reduced amount of £575 which is what their mortgage would be in six months' time**
- **10-year option**
- **Option price of £145,000**

We ended up with a seven-year option, but everything else was agreed.

We obtained consent to let from the mortgage company, and rented it out at £950 per month, giving approximately £375 per month cashflow. We had been quoted £800-£850 by some letting agents, so how did we get more?

Quite simply, through our own test marketing. We tested the rent at £800, and the phone rang off the hook – as it did at £850 and £900. Finally, at £950, we had two families fighting over the flat. It needed a minor refurbishment, so we decided to offer the incoming tenants a rent-free period. However, before we'd even had the chance to offer it, they asked if they could redecorate and change the doors. Everything we were going to do was now covered by them!

We maintained regular contact with the vendors throughout the process, but unfortunately this is a sad story. Three years into the option, Claire passed away leaving her husband, Rob, and their two children. He was devastated and he didn't have any life assurance.

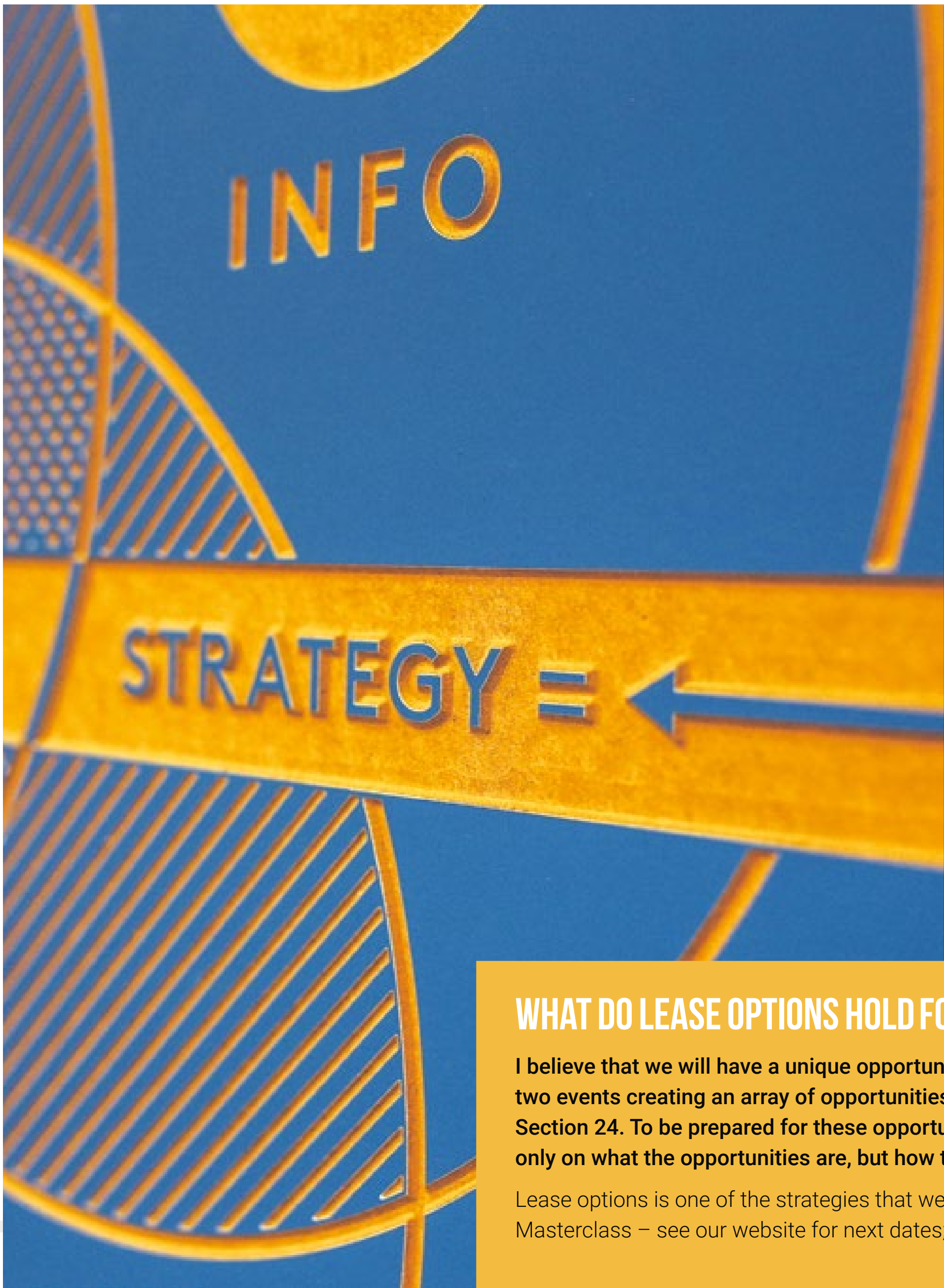
In 2018, we sold the property for £225,000, which gave us around £70,000 clear profit after expenses, plus around £31,500 cashflow throughout the term

He called me one day in tears because he didn't know what to do – Claire had managed the family money, and he was not coping so he asked for our help. I offered to give him the property back and revoke the option, but he didn't want it because he wasn't coping financially and didn't need another worry. I arranged for a debt management company to help him and spent a lot of time speaking with him and his residential mortgage company to put him on a more stable financial footing.

In 2018, we sold the property for £225,000, which gave us around £70,000 clear profit after expenses, plus around £31,500 cashflow throughout the term – all for a £1 option fee and some solicitors' costs.

Rob also received a nice bonus because the mortgage had been on a repayment basis, so he had built up (unknown to him) a small amount.

To succeed with lease options, you need to become solution-orientated. We solved a problem here by stemming the loss in the family's monthly cash budget, which in turn created a win-win scenario for both parties.



LEASE OPTIONS SUMMARY

To drill down into where to start with lease options, when agreeing a lease option, you would start with heads of terms and then ask your solicitor to draw up the contract. The heads of terms should include:

- **Vendor name**
- **Investor name**
- **Property address**
- **Agreed option price**
- **Option period**
- **Solicitor details**
- **Initial fee to the vendor**
- **Any monthly fee to the vendor (for example to cover the mortgage)**
- **Building insurance details, mortgage details etc**
- **Other terms, eg up to £500 pa maintenance to be covered by the option holder**

Essentially, a lease option contract is a blank piece of paper, and is a summary of the terms agreed between the two parties.

WHAT DO LEASE OPTIONS HOLD FOR 2020?

I believe that we will have a unique opportunity this year with the combination of two events creating an array of opportunities for those who are ready – Brexit and Section 24. To be prepared for these opportunities, you need educate yourself not only on what the opportunities are, but how to take advantage of them.

Lease options is one of the strategies that we discuss on our Property Investing Masterclass – see our website for next dates; **www.propertymasteracademy.co.uk**

DEAL SOURCING

WHICH APPROACH SHOULD YOU ADOPT?

ARSH ELLAHI

Hi Arsh,

I have just become a compliant deal sourcer and am struggling to get started. What sort of deal should I be looking for?

Mr K, Birmingham

Happy New Year, Mr K! This is a question I get asked every day, because everyone wants to know the best type of deal that will sell quickly and make the most in sourcing fees. If I had £1 for every person that asked me this question, I would be an extremely rich man.

There are two ways to look at this when it comes to deal sourcing:

1. Are you planning to source to order? What I mean by this is, are you going to source to requirement for a select few investors?
2. Or are you taking the mass market approach? In other words, are you going to see what you can find and then find a buyer?

Just to confirm, there is no right or wrong answer here. You could say that one is a more targeted approach, whereas the other is pretty much a dartboard approach. Here's a more detailed look at both strategies:

THE SOURCE TO ORDER APPROACH

If you source to order, you can remain focused and source properties that fit a certain parameter. You would initially need to find and qualify a small group of investors, and find out exactly what they are after. For example, they might be looking for:

- **Properties that produce high cash flow**
- **Properties with a high ROI**
- **Properties that are a certain % discount below market value**
- **Properties where they can add value, eg by turning it into an HMO or developing further**
- **Properties that can be refinanced so they can pull out their funds**

Once you have a shopping list, you can then start tweaking your marketing strategy accordingly. This could include:

- **Sending out leaflets in certain areas**
- **Speaking to estate agents**
- **Working with other sourcers and seeing what deals are already out there (I call this piggy backing)**

As the criteria are quite strict and you know exactly what your niche group of investors are after, you can quickly appraise prospective properties to see if they are of interest.

THE 'OPEN' SOURCING APPROACH: DO YOU FIND THE MONEY OR THE PROPERTY FIRST?

With this strategy, you would need to build up your investor database first, therefore you would be finding the money first.

As a result of already having found potential buyers, you are then simply finding properties for them to buy. I call this 'Investor Profiling.'

I think this is a very good way to start when you're new to sourcing. Begin by building a relationship with some investors and ensure they have the money to invest by asking to see proof of funds. After all, the last thing you want to do is to spend a lot of time finding a property only to find out that the investor does not have a pot to p**s in! You would be very surprised how often this happens.

THE CAT-AMONGST-THE-PIGEONS APPROACH

The strategy is based around going out and sourcing properties first, and then sending them out to a mass database in the hope of securing a sale. Once you have sent it out, let the investors fight over who has it.

This is my own chosen field of operation. When I started sourcing almost 20 years ago, I decided to just start finding properties and then offer them to investors. However, if you have less than 100 investors in your database, this may not be the best approach. You might find yourself sourcing lots of properties which then won't sell.

Although this is my approach, from experience I would say that my biggest problem in the early stages is not knowing what property to start looking for and what will definitely sell. As a result, it is a scattergun approach. So I look at all kinds of properties, hoping they will fit the criteria of an investor somewhere within a mass database.

Your target investor buyer should ideally ...

... share your vision for the property you have found

... appreciate the discount that you have negotiated

... fit within the budget

... buy quickly to maintain the motivation of the motivated seller

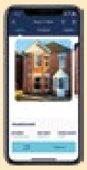
20 years ago, I didn't think about profiling my investors and built a mass database. This now sits at over 100,000 investors worldwide. However, I have learned from these years of experience what will sell, and am strategic in the way that I structure property deals. As a result, 90-95% of properties I offer sell within 48 hours.

Having an open reign allows me to source a whole spectrum of properties, including:

- **Below market value opportunities**
- **Rent-to-rent deals**
- **Lease options**
- **Development opportunities**
- **Commercial to residential opportunities**
- **Land with and without planning**
- **All sorts of other things that don't fit within these categories**

As broad as this may seem, it's an approach that suits me perfectly because it allows me to exercise creative flair. Having so many options means I can look at every property to find a suitable solution for the vendor, so can monetise almost every opportunity. In return, I am able to provide a variety of properties with multiple angles to an ever-growing database.

The Property Investor App



This year, I progressed the business further by moving the sourcing business onto a digital platform. I created the Property Investor app, which I believe to be the UK's first Property Investment Marketplace app. I like to think of it as the Rightmove for genuine property deals for investors. Since launching in April 2019, I have seen the database of property investors grow from UK to worldwide, and we have a lot of interest from Asian investors with extremely deep pockets.

Finally, if you are a deal sourcer and are struggling to find a buyer, you can use the Property Investor app to upload your property and sell to our database in return for a share of the finder's fee. Ultimately this saves you 50% of the work and allows you to showcase your fantastic deal to a database of tens of thousands of hungry property investors.

Download the app from the Apple iOS and Google Play app stores or visit ***www.propertyinvestorapp.co.uk***

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

CONTACT

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

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

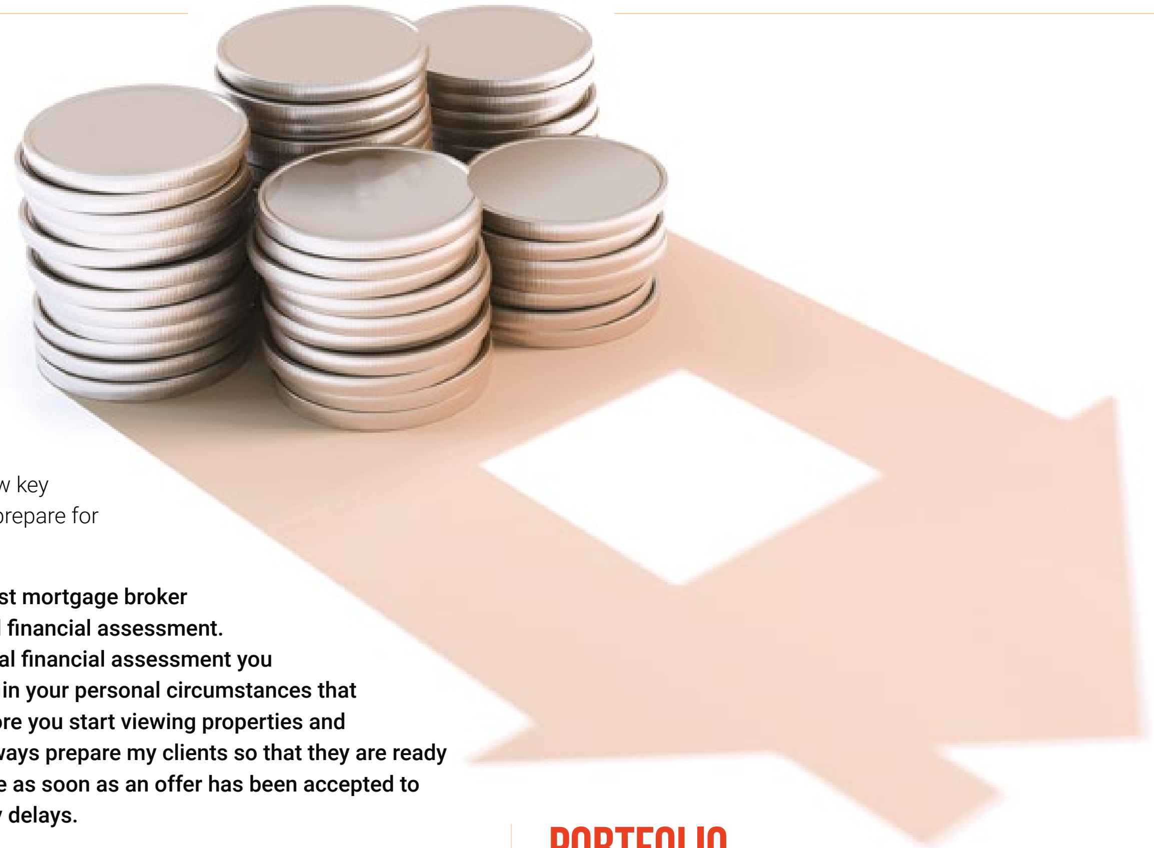
Finally, to get access to all my updates and whereabouts, please sign up to my weekly newsletter at **www.arshellahi.com**

MORTGAGE UPDATE

Stuart Yardley
Trafalgar Square Financial Planning Consultants

Happy New Year and I hope 2020 is a prosperous year for you all!

As we enter another year, I thought I would look at a few key things to prepare you for obtaining BTL or investment property finance this year.



PREPARING FOR YOUR FIRST INVESTMENT PROPERTY PURCHASE

If you are planning to invest in your first property this year, there are a few key things you need to do to prepare for your purchase.

- **Engage with a specialist mortgage broker and complete an initial financial assessment. By completing the initial financial assessment you can flag up any issues in your personal circumstances that needs addressing before you start viewing properties and submitting offers. I always prepare my clients so that they are ready for applying for finance as soon as an offer has been accepted to avoid any unnecessary delays.**
- **Discuss with your broker how your anticipated property investment strategy works from a finance point of view with your individual circumstances so you know the limitations.**
- **Prepare your personal paperwork so you have all of the lender's required documentation to hand when your offer is accepted.**
- **Obtain copies of your credit reports to ensure all is accurate and up to date.**
- **Check your credit reports to ensure you are on the voters roll if you should be and the address history reported is correct.**

SELF-EMPLOYED OR A COMPANY DIRECTOR

Now is the time of year your personal tax returns for 18/19 are being submitted, and once this is done, it's key to ask your accountants to send you the tax calculation summary and overview to confirm the tax paid. Lenders do request both documents, so it can save you time if you hold them in your personal file so you have them to hand when applying for finance.

If you already have rental income shown on your tax returns, it's also a good idea to keep a copy of the full SA100 return to show a breakdown of the rental income reported, even if there are expenses offsetting the income.

I would always recommend having on file ready your last two years' tax calculation summaries and overviews, should you be asked for these.

PORTFOLIO LANDLORDS

If you are a portfolio landlord, now is a good time to review your documents. And as I have previously discussed, one of the most important documents is the portfolio schedule.

It's really important that you spend some time online reviewing the valuations stated and ensure the rental income figures are all accurate and up to date.

The portfolio schedule is one of the most important documents for your broker when assessing options available as a portfolio landlord. By keeping the information up to date you can ensure a smoother underwriting process and less chance of a lender declining your application based on the portfolio assessment.

LIFE COVER PROVISIONS IN PLACE

One area that is quite often neglected is your long-term strategy for the portfolio, and whether you should be considering if life cover is required to meet your plan.

There are many different types of potential cover and I would recommend talking to your broker if you feel this is something that you would like to consider.

I am available if you would like to discuss this in more detail.

PORTFOLIO REVIEWS & PERSONAL REFINANCING

We have been assisting many investors with portfolio reviews ensuring they are on the best rates and helping with options for products transfers when existing rates end. We will also compare this with options from other lenders, should you wish to refinance. I am happy to assist any investors who would like help with reviewing existing interest rates, and helping when existing rates end by comparing options. Please contact me if I can help in any way.

Lender	Loan to Value	Product	Fees
The Mortgage Works	75%	2.09% 5-year fixed	£1,995 arrangement fee added – free valuation and free legal remortgage service provided
The Mortgage Works	75%	2.24% 5-year fixed	£995 arrangement fee added – free valuation and free legal remortgage service provided
BM Solutions	75%	2.41% 5-year fixed	No arrangement fee added – free valuation and free legal remortgage service provided
The Mortgage Works	65%	2.09% 5-year fixed	£995 arrangement fee added – free valuation and free legal remortgage service provided
Virgin Money	75%	1.79% 2-year fixed	£995 arrangement fee added – free valuation and free legal remortgage service provided
BM Solutions	75%	2.19% 2-year fixed	No arrangement fee added – free valuation and free legal remortgage service provided
Virgin Money	75%	1.54% 2-year fixed	£1,995 arrangement fee added – free valuation and free legal remortgage

LENDER UPDATES

There have been very few updates and changes from lenders this month, but one key change has been from Precise Mortgages who have expanded their HMO proposition to include HMO properties in Scotland. This is excellent news for the market, as it was an area that was quite limited and it brings competitive products to the market for investors looking to purchase or refinance an HMO in Scotland

A reminder of some of the key criteria for HMOs with Precise:

- **Must be an experienced landlord with 12 months existing lettings experience**
- **Minimum valuation of £100,000**
- **Maximum of eight bedrooms**
- **Borrowing available in personal names or a limited company**
- **Interest rates from 2.79% 2-year fixed with a 0.5% arrangement fee**

LIMITED COMPANY MORTGAGE OVERVIEW

If you are looking at a limited company purchase or refinance, here is a sample overview of the market and terms you can expect. Each lender does have their own individual criteria on the directors'/shareholders' personal circumstances and company structures, so you will need to discuss with your broker.

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

Lender	Loan to Value	Product	Fees
Precise Mortgages	80%	3.94% 5-year fixed	1.5% arrangement fee
The Mortgage Works	80%	3.29% 2-year fixed	2% arrangement fee
Paragon Mortgages	75%	2.89% 2-year fixed	1% arrangement fee, free valuation, £350 cashback
Precise Mortgages	75%	2.89% 2-year fixed	£995 arrangement fee
The Mortgage Works	75%	3.29% 2-year fixed	No arrangement fee
Precise – Autumn special product	75%	2.79% 2-year fixed	0.5% arrangement fee
Precise – Autumn special product	75%	3.19% 5-year fixed	2% arrangement fee

As always, I am available should you require any advice on a BTL mortgage, residential mortgage, commercial finance, bridging finance or development finance. I work with investors all over the country with property investment opportunities from 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

By **Mary Latham**

THIS MONTH'S UPDATES ...

- Social injustice
- Electric safety inspections
- Energy Performance Certificates
- Licensing

EXEMPT FROM RESPONSIBILITY?

Ending Social Injustice in the Exempt Accommodation Sector

> *"People with very complex and high needs are living with some very vulnerable people. There have been homicides in these properties, and that has been down to really risky mixes which really could have been avoided," said Dom Bradley, chief executive of Spring Housing."*

Most of the landlords I know care about their tenants. These landlords would see the provision of homes for vulnerable people, especially those with complex needs, as a very different business to the private rented sector, as indeed it should be … but no more.

I have seen an increase in private landlords, who have neither training nor skills, taking on this client group, many on long-term contracts via "charities", at rents which are much higher than commercial rents and massively higher than the LHA rates. The payments are meant to cover the care, often needed on a daily basis, to enable these people to live in the community independently. Some landlords pay for agency care workers to give some care, others think that popping in to see if they are ok is enough. Some don't even do that. Here is a quote from a person who is knowledgeable in this field: *"They knock the door with a wet sponge at 9am and when there is no reply they report that the tenant was out."*

Some of the landlords housing these tenants have convinced themselves that they are preventing homelessness. But they are in fact helping to cause it as the report shows. Are you happy that your tax pounds are lining the pockets of these landlords and "charities" instead of caring for those who are vulnerable? Are you happy at the additional cost of police, local authority and NHS workloads when these people are not supported? Are you happy that, when left unsupported, these people go out into the community and cause havoc? Owner-occupiers and PRS tenants are among those suffering from this frightening problem.

SOCIAL INJUSTICE

"Private landlords raking in taxpayers' cash for housing vulnerable people in squalid and dangerous conditions" (The Independent, 06/11/19)

Not a great start for a new year article.

I am proud to have been a landlord, providing nice, safe homes since 1972. I know that headings like this do not apply to me, but in this case I also know that it applies to landlords who have found the latest "golden nugget" on how to make money in the UK property rental market.

Here is how one vulnerable person described the experience:

> *"It was dirty, filthy – rats and all sorts. Really dangerous. Never saw a staff member again after I got the keys. I stayed for about 10 days, then slept in a park where I was sexually assaulted." (The Independent, 06/11/19, http://bit.ly/YPN139-ML1)*

The article goes on:

> *"More than 27,500 people are living in exempt accommodation across seven UK cities alone – a figure that has surged by 92% in just four years, as social housing and affordable private rented accommodation has become increasingly difficult to obtain, according to research by the Spring Housing Association charity.*
>
> *They warned that the government was paying millions of pounds in housing benefit into a system that often "perpetuates" homelessness rather than works to solve it, and urgently called for more stringent requirements for registered providers and landlords providing exempt accommodation."*

Spring Housing Association funded research carried out by Thea Raisbeck, Honorary Research Fellow at University of Birmingham (http://bit.ly/YPN139-ML2). This is the second piece of research Thea has carried out on exempt supported housing, and the results are frankly shameful.

Here are just two stories I was told at a landlord's meeting in Birmingham in October.

I am sharing these with the permission of the landlords, who are very concerned that they were unaware of the issue until it happened in the house next door.

CASE 1

Landlord A lives in a nice residential area in Birmingham, which borders the district popular with students studying at the University of Birmingham. Another landlord bought the house next door, obviously unaware that students want to live in the golden halo around the university gates. When he couldn't let it to students he let to "other young people". Landlord A didn't have any concerns – he had let to students for years and got on well with young people. Except these were not students. They were ex-offenders and their behaviour was very different.

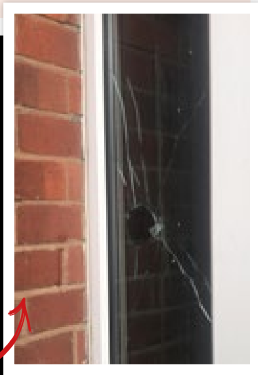
> *"No-one wants to know, the charity who put them there are never around and won't call me back. The police won't help until a crime is committed."*

In a nutshell there is noise day and night, young people hang around outside his home, people under the influence of *"something"* are *"very intimidating"* when he tries to talk to them. He is now thinking of moving but is very worried that his home is worthless. *"Who will buy it when they find out who lives next door"*

This is the story of a landlord but it is also the story of many homeowners who find themselves in a similar situation and are looking at the loss of their biggest investment, their home. They are helpless.

CASE 2

Two of the best landlords I know shared the next case, including photographic and audio evidence, with me.



This photograph shows just one of the broken windows in a downstairs bedroom. The front window was also broken when two house bricks were thrown through it

They were called to one of their properties, let to students in the golden halo around the University of Birmingham. What greeted them was shocking. The front door had been splattered with red sauce and house bricks thrown at the windows.

Despite the landlord attempting to speak to the occupiers of the neighbouring property, he was wasting his time. The perpetrators returned for a second night and broke the windows in a downstairs bedroom where a young student slept, went into the garden and emptied the rubbish bin over the ground outside the door, and totally terrified the young people who live in the student house. These are second year students away from their families, living outside university accommodation for the first time.

I can only imagine how they and their parents felt when they heard what was happening. The landlord has been unable to trace the owner listed as living at the neighbouring rental property address at Land Registry. The police couldn't take action because there was no evidence of which individual did the damage.

Why am I sharing this in a property investors' magazine? If such incidents continue at the current rate it will not be safe to invest anywhere. Any property in the UK where a landlord is facing a void would be rich for picking. Plenty of people are getting rich from these pickings at the moment with more planning to do the same on a big scale.

Here are some of the findings from Thea's research for Spring Housing, concentrating on Birmingham:

> *"There are an estimated 11,000 individuals living in the exempt accommodation sector in Birmingham. These 11,000 individuals are subject to a range of housing-related social injustices, enabled by an 'accountability deficit', whereby national and local government have left the sector largely unmonitored and unregulated."*

Who is affected by the injustices? It is impossible, due to limited available evidence, to closely estimate and compare the concentrations of certain groups within the sector but our research suggests that, broadly, those frequently accessing the sector are:

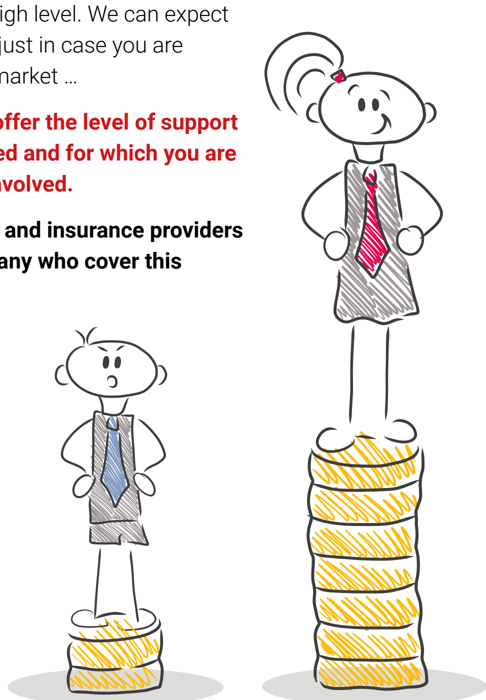
- **Women who have experienced trauma, exploitation, violence and abuse**
- **Refugee and migrant groups, often directly after leaving asylum accommodation**
- **Those experiencing substance or addiction issues**
- **Individuals with mental health problems in varying degrees of severity**
- **Those rough sleeping immediately prior to access**
- **Care leavers**
- **People in contact with the criminal justice system: both newly released from prison and those with offending histories**
- **Individuals leaving a range of other institutional settings such as hospitals, care homes, and addiction treatment centres**
- **Other individuals who have a housing need and are financially, systemically or socially excluded from accessing other forms of more suitable – or more desired – housing provision.**

The tenant group in both cases above are ex-offenders, who are not on that list but are occupying an increasing number of houses in Birmingham. Many get little or no support.

I am pleased to see that this issue, which I have been banging on about at meetings with Birmingham City Council for six years now, is finally being discussed at a high level. We can expect action to be taken but just in case you are tempted to enter this market …

If you don't intend to offer the level of support that these tenants need and for which you are being paid don't get involved.

Speak to your lenders and insurance providers because I don't know any who cover this situation, ie third party nomination of vulnerable people. Imagine the worst happens, and an unsupported person with behavioural difficulties accidentally burns your property down. If you are not insured you will lose the lot.



STILL NOT CONVINCED?

Think about the value of your property when the area becomes known as a "no go area" where only this tenant group will live (because they have no choice). **This has already happened in parts of Birmingham and it is a driver for the introduction of city-wide Article 4 Direction from next June.**

What is in store for those of us who intend to press on with our property investments and intend to be legally compliant landlords? (Before a new government is in place ...)

Electric safety inspections for all rented properties 2020

> *"The government has laid further regulations under the Housing and Planning Act 2016* **in order to start the process of bringing into force the requirement for all landlords to carry out electrical safety checks.**
>
> *From 25 October 2019 the provisions of the Act relating to electrical safety checks will come into force for the purpose of making regulations. This does not mean that landlord electrical safety checks will come into force then, the power will simply apply to let the Secretary of State make regulations about how those checks will occur. However, those regulations should be expected not long afterwards and are likely to come into force sometime next year."* (Anthony Gold, http://bit.ly/YPN139-ML3)

When the government launched the consultation in February 2018, they asked for views on the following:

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

As far as I am aware, the third item has not been addressed. If the legislation is enacted before it is, landlords may find themselves subject to legislation for which they cannot find a competent person to carry out the requirements.

I expect the introduction will be phased in because of the number of properties involved, but it's probably worth having your property inspected if it's not already covered – as all HMOs must be – at the next turn of your tenancies. I would not expect to see this become a legal requirement until late 2020 or, more likely, 2021.

Many landlords are unaware that there is already legislation that declares we must not let a property before first ensuring that the electrical installation is in good and safe working order from day one. Under Section 23 – Electricial Hazards – of the Housing Health and Safety Rating System, introduced in the Housing Act 2004.

MORE LICENSING EXPECTED?

The government has invited local authorities to bid for a share of £3.8m to tackle rogue landlords. If they called them what they are – "criminals" – perhaps local authorities would change their priorities and carry out targeted enforcement, rather than extracting more money from the pockets of good landlords.

I am really sick and tired of reading cases where the local authority has prosecuted a landlord. What did he do wrong? He didn't have a licence. Yes, I know that the law says that he should have had a licence, but why aren't the people who are letting disgusting, unsafe properties the top priority? This is akin to rearranging the deck chairs while the Titanic sinks!

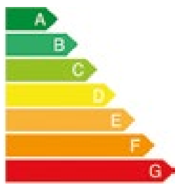
The trade media reported the following as the government encouraging more licensing. While I am sure that many local authorities will use this funding to introduce more licensing, in reply to a question asked in Parliament Viscount Younger of Leckie said:

> *"We have also introduced banning orders and a database of rogue landlords and agents to help local authorities rid the sector of landlords who continue to choose not to meet standards, and provided them with training, refreshed guidance and have just announced £3.8m of further grant funding to innovate and boost their enforcement work.*
>
> *This is improving conditions across the private rented sector as rogue landlords are forced to either raise their game or to leave the sector entirely."*

I cannot see anything to persuade me that the government is encouraging the introduction of more licensing, rather that they are providing money "*to innovate*". This hardly covers licensing, which has been running amok and making no difference since 2006.

At the time of writing (November) we are waiting for a general election, followed by the Christmas break, and perhaps some peace while they continue to rearrange the deckchairs ...

Energy Performance Certificates (EPCs)



EPC regulation has been phased in since 1st April 2018 when a property had to reach **minimum E rating.** This included new tenancies offered to existing tenants, and periodic tenancies beginning at the end of a fixed term from that date.

From 1st April 2020, the minimum rating of E will apply to all tenancies, including older tenancies where no new contract has been signed.

If your property is exempt, it must be listed on the Exemption Register (http://bit.ly/YPN139-ML4).

A copy of the EPC, or a link to the Exemption Register if your property is listed, must be given to the tenant. I expect to see this added as another condition to Section 21.

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

15 YEARS ON …

BY **DAVID LAWRENSON**

My first book *Successful Property Letting – How to Make Money in Buy to Let* has just been fully revised and updated, and the new 2020 edition is now out.

Updated roughly every two years since it first came out in 2005, the latest edition reflects the latest and best thinking, and looks at all the new rules, regulations and tax regimes.

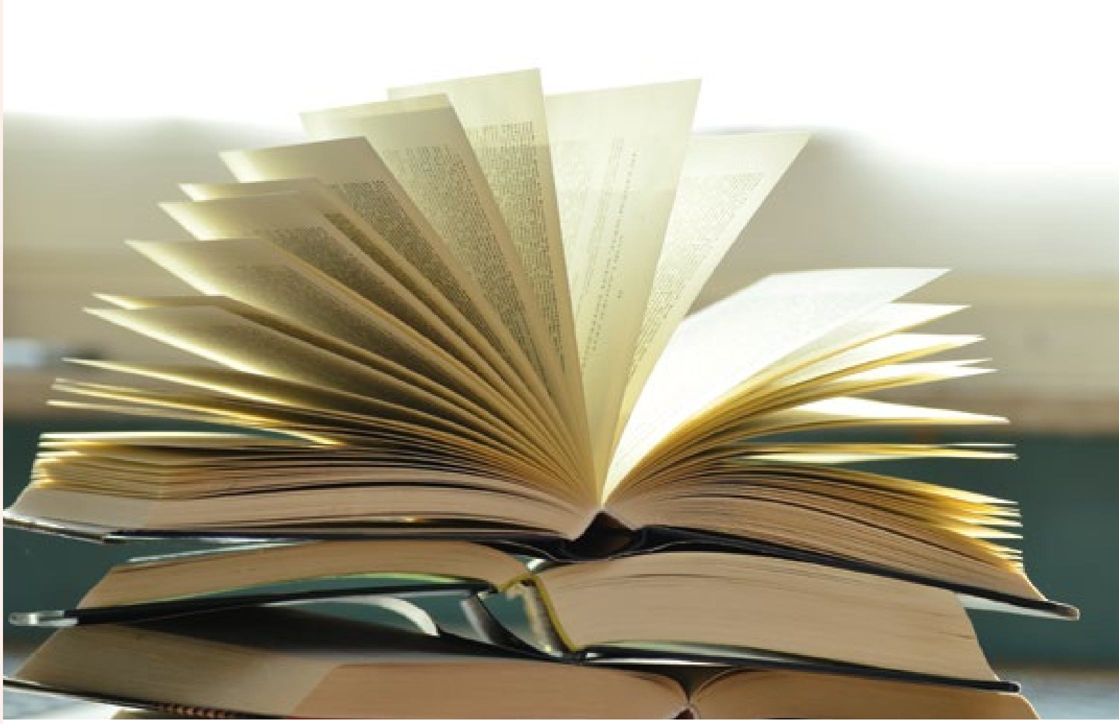
The aim of the book remains the same – to teach landlords everything they need to know about buying the best residential properties to let … and then how to successfully manage them.

I'm delighted that even experienced landlords tell me that they still learn things from my book. That is great, though I'm still convinced you don't need to be an experienced landlord to make money in buy-to-let. I wrote *Successful Property Letting* to also be useful for someone thinking of becoming a landlord, or for someone who has just one property.

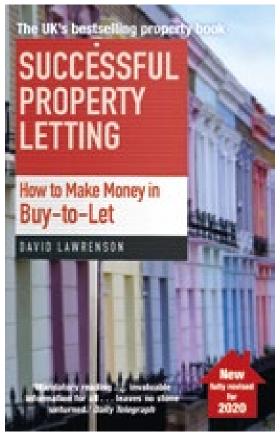
I think that too many accidental landlords still think they can hire any old letting agent to find and/or manage a property for them. This is a big mistake because, in my opinion, it is important to understand what an agent should be doing for the money you are paying them. The same goes for accountants, surveyors, conveyancers, mortgage brokers, property finders, electricians, plumbers, heating engineers, or any other professional that you might use during your time as a landlord and property investor.

You have to know what they should be doing for you, so you can ask them sensible questions and understand their answers. I cover all these professions and more in the book in a way that can help people make the most of the key people they may use from time to time.

For example, your accountant may handle your tax return and he should certainly be helping you to reduce your tax bill legally. If you read the chapter on tax, you will learn the many ways you can reduce your tax bill. You can then check if your accountant is doing those things for you. If he is not, you should be asking him why not.



A NEW DECADE



Well here we are, starting a new decade, which will mark 15 years since the first edition of my first book for landlords came out. The small publishers who had faith in it originally are now subsumed in the massive Hachette publishing combine, but the message is the same.

A great deal has changed for residential property investors and landlords in that time.

Today, private landlords are certainly more highly taxed than they were in 2005. And they also have more regulations and rules to contend with. But despite that, or perhaps because of that, there is still lots of opportunities.

Successful Property Letting sets out all the rules and regulations. Are these rules and regulations necessary? Well, that is partly a political question. I would say that most are there for a good reason – designed to ensure that tenants have a safer and better experience renting property in the private rented sector.

The problem is that many regulations are not properly enforced. As a result, we find that most landlords are doing all the things they should be doing, but there is a tiny rogue element who simply ignore all the rules and regs.

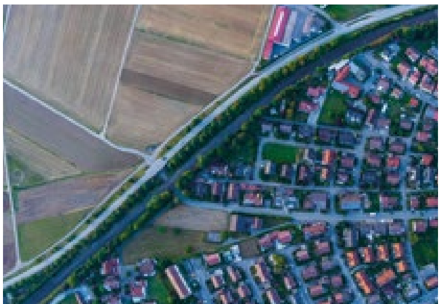
These rogue, sometimes criminal, people are often found to be letting out deathtrap properties. They often get away with it because there is an insufficient number of people at the town halls to catch them. By cutting corners, they don't have to pay the costs that honest landlords do.

Landlords associations frequently complain, but often the response of central government is simply to pass some new regulations, which makes them look like they're doing something. But again, they are often not enforced.

Private landlords have faced a significant ramping up of taxes in the past few years, starting from the time George Osborne was Chancellor of the Exchequer. The government claims that increasing taxes on landlords is all about helping first time buyers. But I think part of the government's real thinking is to try to make the sector less attractive to smaller landlords, and more attractive to institutional investors such as UK and foreign pension firms (some of whom will, of course, make large donations to political parties).

I think there is a strong case for incentivising new build property for letting – so called *"build to let"* – just as long as the playing field is level, and not skewed too far away from individual or small groups of private landlords towards anonymous UK and overseas pension funds, or other big players.

But the fact remains that the government cannot simply make do without the smaller private landlord. They and the housing associations don't have the cash to build large numbers of social/council housing any more. And institutional investors seem unable to build as much new housing as the government would like. They can only make their investments work in certain areas and where there is sufficient scale – think "me-too-identikit" flats – on huge new build estates. This still leaves the greater part of the housing market open to the smaller scale private landlord.



The ongoing shortage of housing stock in the private rented sector and strong ongoing demand from tenants has led to rents starting to increase above the general rate of inflation in the past few years. The picture remains very rosy indeed, especially for people who follow my guidance and buy the right type of properties in the right areas.

Of course, however, there are threats. But I believe most of these are not serious threats. An example being rent controls.

Many people on the far left rather like the idea of rent controls. What's not to like in paying low prices for something?

But everywhere in the world and at every time in history where rent controls have been tried, they have led to a severe shortage of supply of rented accommodation and a reduction in the quality of that accommodation. They lead to a proliferation of rogue landlords like Mr. Peter Rachman, who was famous during the 1960s in London. The Swedish socialist economist, Assar Lindbeck, famously said: "*In many cases rent controls appear to be the most efficient technique presently known to destroy a city – except for bombing.*" His fellow Swedes clearly didn't listen, and rent controls in Stockholm introduced in the last few years have been the usual disaster, leading to an almost halting of new build and to 20-year waiting lists for rented accommodation.

But there is an example of a form of rent control closer to home.

The government decoupled housing benefit rates from local market private rent levels some years ago. As rent arrears soared for housing benefit tenants, landlords increasingly refused to let to people dependent on housing benefit. Faced with rising homelessness, the government then set up separate pots of money where landlords are now given up front cash incentives for housing people who are homeless. My own London borough is right now offering up to £8,000 to landlords to house a family on a long lease. Very nice!

So, even when rent controls are introduced, landlords can still often prosper.

It will be interesting how Brexit plays out in the coming years. Any restriction on migration from the European Union could dampen demand for private rented accommodation. But half of migration is now from non-EU countries, and the numbers are increasing. The UK will always need foreign labour, and this will not change – Brexit or no Brexit.

To succeed in this more regulated climate, landlords will need to be more professional and better informed than their competitors. *Successful Property Letting* aims to show how you can be fully informed and professional, still make money in the private rented sector ethically, and have great fun while you do it too.

David Lawrenson is the founder of LettingFocus.com and an independent expert and consultant in residential property investment. He specialises in providing independent advice on BTL and property investments. Contact him at david@lettingfocus.com

He is the author of two books: *"Successful Property Letting - How to Make Money in Buy to Let"*, and *"Buy to Let Landlords Guide to Finding Great Tenants"*.

YOUR HMO Q&A

With Rick Gannon

Hi everybody, and welcome back to this month's HMO Q&A with me, Rick Gannon! Before we begin our Q&A this month, I wanted to thank all of our community for voting for The HMO and Property Community Group as the best property group on Facebook for the 2019 Property Investor Awards.

Not only was I surprised to have been nominated in the first place, but to actually make it to the finals was a phenomenal result and this is a testament to the members and the contribution everybody gives. Upon writing this I have no idea if we will win or not, either way I am extremely humbled to get this far and look forward to continuing to provide massive value to all of our community members in the coming months. Anyway, let's get going with the first question …

This time of year, we get a lot of questions about heating costs and the best ways we can control the heating in early HMOs.

For many years, we controlled our heating manually which involves human intervention. Each time somebody visited the premises, such as a cleaner, one of the maintenance team or the property manager when they were showing tenants around the property, they would control the heating. We also had a house policy that contained instructions on how to heat the house correctly whilst being respectful of the running costs. For some time, this system actually worked quite well, and we maintained our bills well.

However, over the last two years we have seen a huge spike in our gas consumption specifically, owing to the hard winters we have experienced. We have seen an increase of about £3,000 per year in total for the whole of our portfolio. This is over and above what we had expected to pay, and as you can imagine, it encouraged us to look for solutions on how we could reduce and manage our utility costs better, especially the gas supply.

We researched the market and found there are many remote heating devices to choose from – Time:o:Stat, Inspire and Nest, to name a few – all of which have their own unique ability to enable you to control the heating remotely or without human intervention.

Some of the devices have an app that you can use, which will help you control your heating remotely and others have a countdown timer, which will allow the tenants to control the heating on a two to four hour countdown basis. All units give the tenants full control of the heating 24 hours a day, which is a requirement.

If you prefer not to have a remote setup and would rather to untether yourself completely from the burden of controlling the heating, devices such as Time:o:Stat allow you to do this.

Whichever device you choose undoubtedly they will all help in the reduction of your heating costs. For a small outlay, you will see a massive return over the coming 12 months in a reduction of your bills, and I fully recommend you research the market to choose the device that works for you.

Q) Should I use a Saniflo toilet in my refurbishment project?

A) There are pros and cons of using a macerator-type toilet such as Saniflo. We often get questions about conversions that don't allow for a main soil pipe to be placed into a new en-suite or bathroom, and this raises the question about electronic toilets such as Saniflo units. These types of toilets allow for bathrooms and en-suites to be fitted in areas that usually would not be possible.

If you haven't come across these units before, they work with a traditional toilet basin where the waste is flushed into a sealed unit, reduced into fluid by means of electric blades, and then flushed from the system in a much smaller waste pipe that can run through the property.

Whilst I don't think these particular units are always suitable, they can provide a solution to this problem. However, they also come with their own set of problems.

Very often, tenants choose to flush all sorts of weird and wonderful things down the toilet, including sanitary items and paper, which causes the unit to block and the blades to seize. When this happens, the unit will overflow and it's a particularly unpleasant task to unblock.

If you choose to install a Saniflow or other macerator system, it is extremely important that the tenant understands how to use it correctly. They should always be instructed upon taking a tenancy that if they don't follow your instructions, they will be liable for any repair costs to the unit.

I would also suggest having a visible sign above the toilet explaining what they can and what they can't flush.

Q) Should we take deposits from tenants, or not?

A) This is a really good question, and does come up quite often within the group. Like much of what we do in property, there are not always black and white answers, and a lot of how you run your business will be down to your own values and policies.

I know lots of landlords who choose to take deposits and wouldn't have it any other way, but I also know equally as many landlords who choose not to take a deposit and wouldn't have it any other way.

Personally, in my own portfolio of HMO properties, I choose not to take deposits. In a busy market, sometimes it's hard to stand out, and by not taking deposits our properties are more attractive than those of our opposition, which means our rooms should rent first. It also helps the tenant as they don't have to find the deposit.

People will often think that by not taking deposits from tenants, we will attract the wrong demographic and have more problems during the tenancy.

The most asked question from my community is: **what do you do when your property gets damaged and who pays for it?**

This is actually a misconception. Despite not taking deposits, we don't drop our standards when it comes to our due diligence. Over the past seven years, we have only ever had to replace two mattresses and fit a new door.

Not taking deposits doesn't mean we receive more damage or have more voids. Nothing really changes for us, and it is a much easier process of checking the tenant in and out as there is no need to conduct an inventory.

I am absolutely not saying that you shouldn't take deposits. It is merely a matter of choice and you have to make your own mind up when it comes to running your own business. There are no right or wrong answers to this question.

Q) What should I do if my tenant leaves the property before the end of the fixed-term contract?

A) This is quite a popular question, and just like in the previous question, there is no right or wrong way on how you choose to run your business.

Here's how we deal with this.

Whilst we don't take deposits, we always, when possible, take a guarantor. If the tenant decided to leave prior to the end of their fixed-term contract, we will contact the tenant and explain to them that it is their legal responsibility to pay the rent until the end of their fixed term. However, we are happy to release them from the contract should we manage to rent the room to somebody else in the meantime.

If the tenant chooses not to pay their rent, we will then contact the tenant's guarantor and explain the situation to them with an attempt to recoup any losses.

If all else fails, then we will apply for a County Court Judgement in the tenant's name using Money Claim Online, but it may not always be possible to retrieve lost rent from tenants that have left prior to the end of their fixed term. It is more important to make sure we advertise the room at the earliest available opportunity and find a new tenant. Please note that if a tenant chooses to leave their fixed-term contract early, they must put this in writing in case they attempt to return.

GoTenant!

With my product, **GoTenant**, the tenant app allows your client to report maintenance issues quickly and easily. It also allows secure communication for general updates as well as providing tenants with access to their documents and information all in one place.

That's it for this month!
Until next month,

Rick

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

EMAIL FRESH START FOR 2020

JACQUIE EDWARDS

How many emails do you have waiting for you in your inbox right now?!

Are you one of the few people that reaches inbox zero daily? Or are you like most people with thousands and thousands of emails (read and unread) cluttering up your inbox?

Do you know what needs to happen next and who needs a reply now, leading to a massive sense of overwhelm every time you open your inbox?

If that sounds like you then I want to help you clean it up for 2020 and make inbox zero an easy daily goal. These tools will help you keep your inbox under control easily and help you answer the important emails in a timely manner and follow up on the less urgent ones as and when you are ready for them.

TOOL 1: UNROLL.ME

www.unroll.me

This tool has had some bad press for storing and collecting data, but honestly – I still love it. For a free tool, I'm happy to give them a bit of information about my email habits for them to sell to advertisers. Because in return, they provide a completely free service that helps keep all my subscriptions organised while making sure I get rid of the junk.

If your inbox is anything like mine, I feel like I am constantly bombarded with email newsletters and email sales letters! Some of them are from people that I actively follow and love to read while others I don't know how I got on the mailing list. With unroll.me you categorise emails into three categories: Add to Rollup, Unsubscribe, and Keep in Inbox.

When you categorise a sender in "Rollup" – their emails are combined into one daily email with all of the other Rollups, and you can decide what time of day to receive that one combined message. I use this not just for newsletters but for my banks and credit card emails (as they can send a lot of them), and I found they were cluttering up my email as I was waiting for a good time to read them to see if they were important. I can't add my bank's emails directly to spam or unsubscribe, but I don't need to constantly have them cluttering up my inbox. Now, I can easily scan them once a day all in one place.

All the emails from people that I don't want to hear from ever again are categorised as "Unsubscribed". When you add a sender to that list, Unroll.me will automatically try to get you off their mailing list. But sometimes, even though you tell people to remove you, they still keep spamming you. Unroll.me stops that by automatically filtering those messages straight through to your junk mail so you never have to see them again.

And finally, if you categorise the email as "Inbox", that means you want to see the emails from that sender in your inbox as the messages arrive. I use this for the messages from my favourite gurus and the senders that I follow closely.

You do need to give Unroll.me access to your email and as I have no links with the company I can't guarantee how secure it is – but I use it every day and love it!

TOOL 2: BOOMERANG

www.boomeranggmail.com
www.boomerangoutlook.com

This tool only works for Gmail (including Gmail business users) and Outlook on your computer and iPhone and Android mobile inboxes. There is a small cost if you really want to ramp it up, but you can get started and do quite a bit of inbox management for free. I have upgraded to the Pro version now because it's been so useful! I'll walk through a couple of the top functions.

First feature is Boomerang Reminders. I used to use my inbox as a holding ground for all the emails I wanted to follow up on or needed to remember. Emails could stay in my inbox for weeks. Then I started using folders to file emails away – but even then some emails would just hang around haunting me for weeks. With Boomerang Reminders, you can clear the email out of your inbox and select when you want to have it return. If you know you can't deal with a request now but you will be able to respond in two days' time – instead of the email cluttering up your inbox until then, you can simply send it off with Boomerang and schedule it to come back in two days when you are ready for it. This way, I am able to get to inbox zero every day and know that I will never forget an important message!

Another of my favourite functions is the Send Later option. Boomerang allows you to schedule your emails to send in the future. Maybe you are up burning the midnight oil and have some emails to send, but don't want other people to know you were working at 2am, or you want to make sure the other person receives the message at a convenient time so they are likely to reply ASAP. By using Boomerang's schedule function, you can write the message now and send it any time in the future.

Finally, the last awesome feature of Boomerang that I'll cover here is the Response Tracking. Sometimes you send an email off with a request to someone and assume they will reply and you will be able to carry on. But what happens if they don't reply and you forget about it until all of a sudden, a deadline has passed and you only remember when it's too late? With Boomerang's Response Tracking, you can have Boomerang send you a reminder at a set time in the future if the other person hasn't responded to the original message. So you will never have to worry about forgetting an important follow-up again!

My goal is inbox zero (which means a completely empty inbox) every single day. By using these two tools, that is easily within my reach each and every day. I know they can help you get organised too, so you can start your new decade with a clutter-free inbox.

Jacquie

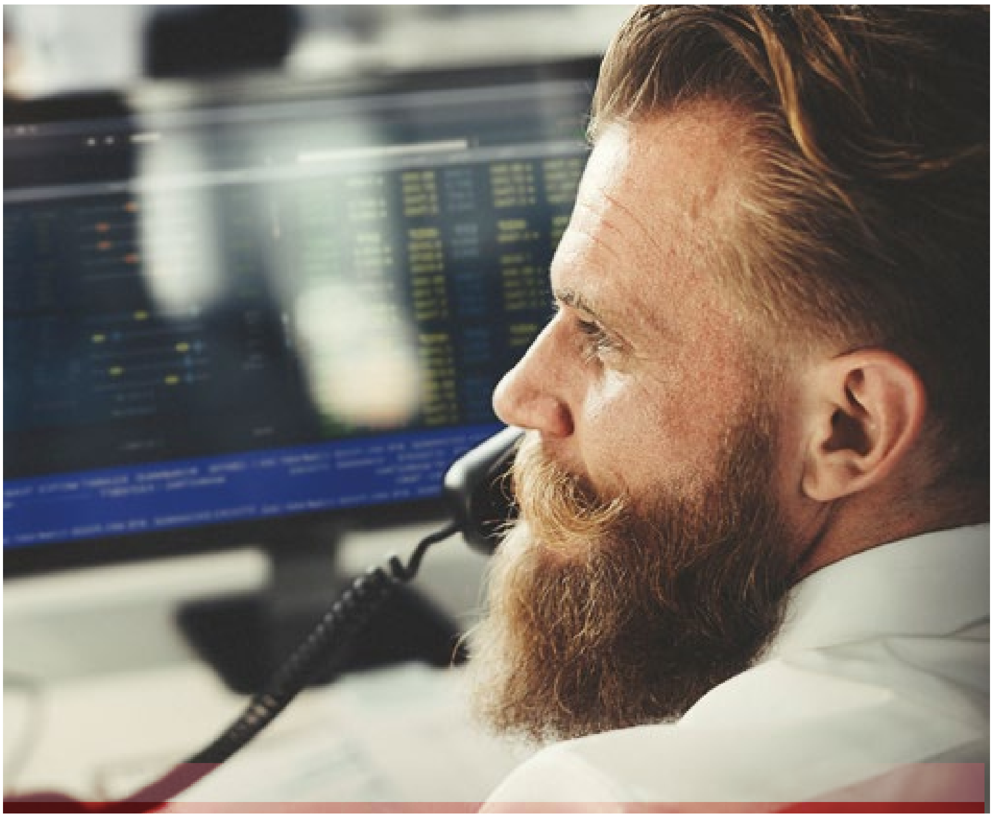
Enjoy what you read?
Have a listen to our podcast with Jacquie, talking about all things systems.

Property Go-To Girl

Jacquie Edwards is the author of ***"Rent to Rent: Your Questions Answered"***

IS THIS THE BIGGEST SECRET TO SUCCESSFUL TRADING AND INVESTING IN 2020?

By **Marcus de Maria**



In this month's article, I'm going to discuss a little-known secret of trading and investing that most people don't know. In fact, many people who have been trading for a while don't even know it, but every successful trader does. I didn't know it for years, and it's why I was never consistent. Now that I know it, I would never go back to trading and investing the way I did.

Minimising our losses is important, so is maximising our gains. The two are inextricably linked, and together they make up the secret of trading and investing. I ask people if they would be willing to risk 1% to gain 1%, and let me ask you that same question.

Yes or No?

There are always a few people who would. These are the gamblers in the room – whether they know it or not – but risking the same amount as you could make is not a good idea. It's a risk:reward ratio of 1:1. For example:

£1,000 every time we win
-£1,000 every time we lose

As you can see, we're risking the same amount as we could be making. Now, find a coin and flip it ten times. Heads, you win; tails, you lose. It's supposed to represent a normal strategy that has a 50% hit rate, ie wins and loses 50% of the time. Normally, we get the following result:

I I I I I = 5 Heads / Wins
I I I I I = 5 Tails / Losses

The longer you do it, the more likely you'll end up with the same number of heads as tails.

Bringing it back to the problem at hand – if you gain £1,000 every time you win and lose £1,000 every time you fail, that means gaining and losing £5,000 … meaning you end up with £0. As soon as the broker costs for every purchase and sale are included, it's a clear loss.

Of course, you can always hunt out strategies that perform better than 50%. But most people don't realise that the key to trading success is to not rely on a strategy working well, because the market can change at any given time. Change other things to ensure that even a normal strategy can make you money.

At the moment, the risk:reward ratio stands at 1:1 (£1,000 at risk for both winning and losing). But by changing the risk:reward ratio to 3:1, then everything changes. Let's assume we still have a 50/50 chance of winning, but now there's £3,000 to gain and £1,000 to lose.

Based on a strategy with an equal chance of winning, out of every 10 trades I would make £15,000 and lose £5,000. A gain of £10,000 – not bad.

I do this by following the two golden rules of trading. They are:

1. **Let your profits run.**
2. **Cut your losses short.**

Having a stop loss order, where we risk only 1% of our total capital while allowing winners to run to 3% of more, we would still make money even with 50% wins and 50% losses.

But there's more …

What if the strategy didn't perform 50/50? What if we lost more times than we won? What if we had the following scenario?

I I I I I I – 6 losses
I I I I – 4 gains

It would make £12,000 and lose £6,000. Which is still an overall gain of £6,000.

What if – even worse – we had a strategy that wasn't performing well at all and we had this scenario?

I I I I I I I – 7 losses
I I I – 3 gains

Remarkably, it would still generate £9,000 while losing £7,000. The overall gain would be £2,000.

In other words, you are able to lose twice the amount of times than you win and still make money over time. Can you now see why the risk:reward ratio of at least 3:1 is one of the biggest secrets to successful trading?

The next time you enter a trade, make sure that you always remember the ratios. It will change the way you trade and your trading results.

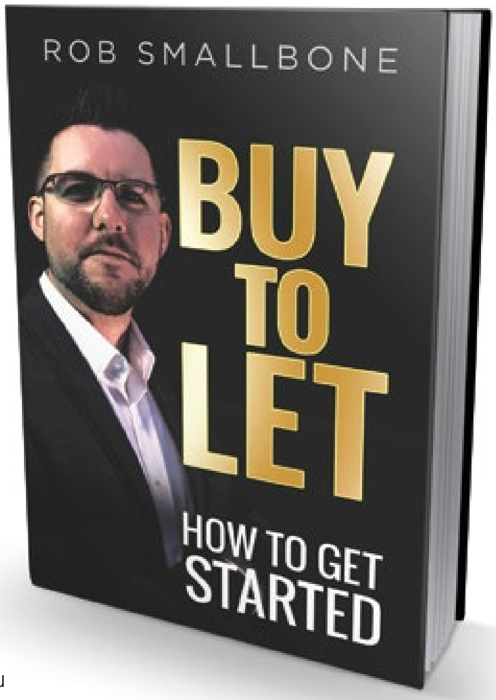
Until next month,

Marcus

BUY TO LET HOW TO GET STARTED

BY ROB SMALLBONE

The New Year is a great time to set resolutions, and if you're looking to get started in property through BTL, this book is a great read. It starts by outlining what will be covered – from mindset to goal setting, and then unravels and explores all aspects of BTL property investments.



Rob shares that his mindset shift happened due to his decision to travel extensively and this led him to become more energised, more open-minded and helped him define his "why". He suggests that you also start to define your why (your reasons) and make it powerful, as this will be integral to your success. Next, define how many properties you need to acquire for your ideal financial freedom figure – Rob provides useful templates to start calculating your incomings and outgoings. This type of upfront analysis will allow you to set realistic goals – the why and how you should set goals is also discussed.

The remainder of the book is dedicated to property itself, starting with the advantages and disadvantages of investing in property. Rob then covers various aspects of BTL such as the property economic cycle and how to finance any purchase (cash versus mortgage). He introduces the concept of a power team and describes what one is, why you need one, how to find one and then goes on to describe the people that should comprise your power team.

The next few sections explore identifying the right area, right down to street level and he describes his 10-5-2-1 model to start this process. Assuming you are trying to achieve cashflow and ultimately financial freedom, the author's advice is to focus on areas/properties that produce a minimum of £200/month net cashflow. Adopting his model requires the area to have strong fundamentals of good transport links and good employment and most of this research can be done online to produce a shortlist of 10 geographical areas. The useful tables will allow you to shortlist these areas down to five based on the above criteria.

Next, using websites like mouseprice.co.uk, rightmove.co.uk and other online tools will allow the final two investment areas to emerge based on property prices and rental figures. Rob suggests that you narrow your focus to just one geographical area and then visit the area, walk the streets, talk to local agents about sales and rentals, drive around and also talk to the locals. Using a combination of the above plus Google will then allow you to focus on the "goldmine areas" ie specific areas within the town or even specific streets.

Continuing with the well-structured layout of this book, Rob focuses the next few sections on the types of properties you should consider and things to look out for on viewings. You should focus on properties that you can buy at discount and add value to, rather than ones "done up", as this will aid re-mortgaging at a later date. You also need to decide whether you will focus on flats or houses. For viewings, Rob provides a list of key things to look out for including:

1. **Boiler/central heating system**
2. **Electrical installations**
3. **The roof/guttering**

In the next few sections, Rob describes financial metrics that seasoned investors utilise including: gross and net yields, ROI and cashflow. Through worked examples, Rob also explains terms such as No Money Left In (NMLI), where one is able to recycle all the initial investment to use for the next investment. Finances can be obtained through JV partners and an in-depth description of finding and working with JV partners is provided.

The next few sections give guidance on: putting offers into agents and the documentation required; investing locally or not; using a sourcing agent if you are short of time or live some distance from your investment area. The latter section describes the types of sourcing agents at large and criteria you should apply when working with them.

As way of summary, Rob describes his 20-step guide to buying your BTL investment and includes some additional valuable tips, including processes you should follow to ensure that your investment is compliant. The question of self-management versus using a letting agent often comes up – his advice is to take time and undertake thorough due diligence in finding a good letting agent. He provides detailed guidance on the process to follow in finding a good agent and describes 15 key services to consider before appointing one. The bonus sections that complete this book highlight the top eight property books that every investor should read, the top five podcasts to subscribe to and the eight life hacks to help you focus.

WHO IS THIS BOOK FOR?

The book has been written for those who want to make a change in their life through investing in property but don't know where to start. The author has built up a significant portfolio focusing on BTLs in a short period of time and in doing so, has developed expertise in this niche of property investing.

The key aim of the book is to provide the reader with a step-by-step guide to enable you to purchase your first BTL property. Rob has published an easy-to-read book which is well structured and full of useful content for the BTL investor. Most of the books I review are text-rich (cost reasons) and often difficult to follow, but Rob has provided tables, step-by-step guides and lots of screenshots which will make the subject matter easier to navigate (a picture paints a thousand words). **Excellent book!**

Book reviewed by:

Raj Beri

www.rajberi.co.uk Email: **raj@rajberi.co.uk**

Book Details:

Available from **Amazon** Date published: **2019**

Further information available from:
www.thepropertynomads.com/buy-to-let-book

ARE YOU READY FOR 2020?

By **Simon Zutshi**

Not only is it the start of a New Year, but a new decade. In a few years' time, we will look back at 2020 and realise that it was probably one of the best investing opportunities of this decade. The question is, are you ready for 2020?

In this first article for 2020, I want to explain why January in particular is so important, and why it will create a huge opportunity for you if you are ready for it. Unfortunately, many people will miss out on this opportunity, and I don't want that to be the case for you. Please make sure you read this article carefully to really understand the opportunity in front of you.

By the end of this month, everyone who is a landlord will need to have submitted their personal tax return for the 2018/19 tax year, and paid any tax that is due from the rental income on their property. This will be the second year that people will see and feel the effect of Section 24, which came into play in April 2017.

As I am sure you know, the government decided that they wanted to change the way that property investors are taxed. What this means, is that if you own property in your own name (which most long-term landlords do) and you are a higher rate tax payer (which most people in property are), then you will be paying more tax on your rental income.

If your property is owned in a limited company instead of your own name, then you will not be affected by Section 24. If you are a lower rate tax payer, then there is also no impact. Although, some property investors will slip from being a lower rate tax payer into a higher rate tax payer because of the way that rental profit is now calculated.

So what does this mean for you, and why is it the opportunity of the decade?

Every month my organisation runs over 50 local property investors network meetings all over the UK, so I am in a unique position to have my ear to the ground around the country to hear exactly what is going on with investors at a grassroots level. I can tell you for an absolute fact, that in 2019 we had far more long-term landlords coming to our pin meetings than ever before, because they are looking to sell some or all of their portfolios and retire early due to the impact that Section 24 will have on their income.

In any property market, you will have new investors entering and some people retiring and exiting. But right now, there are more landlords than ever thinking about selling up earlier than they had initially planned – because they don't want ever-decreasing returns from their property portfolio.

January 2019 was the first time that many landlords realised the true impact of Section 24. When they saw the amount of tax they had to pay go up, and their accountant will have informed them that things are only going to get worse as the true effect of Section 24 is phased in over a four-year period.

January 2020 will be the second year that people see the effect of Section 24 bite more into profits. This will be the catalyst for even more landlords to seek a solution to this problem. For some of the 1.75m landlords in the UK, I truly believe that early retirement may be the preferred choice, especially as they have seen tremendous capital growth over the past ten years.

Whilst Section 24 is obviously very bad news for many, there is always a silver lining if you look closely enough. For property investors who want to expand their portfolio and acquire more property, 2020 will be a fantastic opportunity for a number of reasons.

First of all, we will see properties become available for purchase in previously locked down Article 4 areas. In these Article 4 areas, permitted development rights have been removed, so you have to get planning permission to convert a normal house into an HMO (with three or more unrelated tenants). However, if you do apply for planning in an Article 4 area, it will be automatically rejected because the local council does not want more HMOs there.

You can of course appeal and you might get planning permission if it meets all the criteria, but it is very difficult. However, if you buy an existing HMO in an Article 4 area, you don't need to get planning permission. Instead you can just apply for a certificate of lawfulness, as long as the property was used as an HMO before Article 4 was introduced in that area and has been continuously used as one.

Prior to the introduction of Section 24, in Article 4 areas, landlords were quite happy keeping their property, knowing that there would not be too much new competition. But now some of these landlords are now considering selling, which means that new investors can get access into these effectively locked down areas.

The main reason why 2020 will be such a great time to acquire more property is because of the way in which you will be able to add to your cashflow and property portfolio. You see, the landlords who decide to retire earlier than planned have another problem – if they sell all their properties in one go, they will have to pay a lot of Capital Gains Tax (CGT) on the profit from the sale.

The best solution for anyone wanting to sell several properties is to phase the sales over a number of years so that they can claim their personal CGT allowance, and so reduce the amount of tax they will pay. But this creates another problem. The landlord will have to hang around until they sell their last property … but would probably rather be sat on a beach instead enjoying their retirement!

The good news for you is that there is a solution where you can provide to the landlords so they get to sell all their property over a number of years, minimise tax and not need to wait until the last one is sold. You can use purchase lease options (PLOs) to take over the properties and manage them for the owners, with the schedule to buy them in a few years' time.

This means you get cashflow and potential equity growth on property that you don't own, whilst providing a fantastic solution to these retiring landlords. You don't even need to have large deposits or even be able to get mortgages to do this.

The only problem here is that PLOs are a massively misunderstood strategy. Most people who think they know about PLOs don't really understand them, otherwise they would have done a lot more by now. One of the main problems here is that PLOs only work in certain circumstances, namely when the seller does not need the money now and they have favourable mortgage conditions. Luckily for you, landlords normally meet both of these criteria, which is why the strategy works so well for them.

Just in case you don't know, let me give you the basics about PLOs. This 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 an agreed fixed price (the option price) within a certain time period (the option period).

In the meantime, you pay them a monthly option fee, and in return you are entitled to use the property. There is also an upfront option fee required to make this a legally binding agreement, which can be anything from £1 to several thousand pounds.

During the option period, you look after the property as if it were your own and take care of all the maintenance.

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 a guaranteed £600 per month and take care of all the bills, repairs and maintenance.You could then rent this property out in a way that generates a much higher income, such as an HMO or serviced accommodation. Your profit is made on the difference between the monthly fee and your incoming rent, less all bills. This is cashflow 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 typical 25% deposit needed to traditionally purchase the property. You don't need to get a mortgage on the property, because you don't actually own it; however, you can benefit from positive cashflow and any capital growth during the option. If the value of the property rises from the current £200,000 to £250,000 in five years' time, you still have the right to purchase it at the agreed option price if you want.

How do you find these landlords? Well, you can always attend your local property networking events and ask for referral to landlords who may want to retire, or you can write directly to landlords using your local council's list of licensed HMO owners.

I do hope you can see the incredible opportunity you have right now by helping these retiring landlords and finding a win-win solution

Invest with knowledge, invest with skill

Best wishes,

Simon Zutshi

- **Author of Property Magic**
- **Founder, property investors network**

Simon Zutshi will be holding some complementary live 90-minute online masterclasses all about PLOs and this incredible investing opportunity of the decade during the first two weeks of January. You can register for them here http://bit.ly/PLOMC2020

THE YPN JARGON BUSTER

A list of the abbreviations and tech-talk used in this month's YPN – and more …

ACV	Asset of community value
ADR	Alternative Dispute Resolution
AI	Artificial intelligence
APHC	Association of Plumbing and Heating Contractors
ARLA	Association of Residential Letting Agents
Article 4	An Article 4 Direction removes permitted development rights within a specified area designated by the local authority. In many cities with areas at risk of 'studentification', there are restrictions on creating HMOs so you will have to apply for planing permission. Check with your local planning authority.
AST	Assured Shorthold Tenancy
AT	Assured tenancy
BCIS	Building Cost Information Service – a part of RICS, providing cost and price information for the UK construction industry.
BCO	British Council for Offices
BIM	Building information modelling
BMV	Below market value
BPEC	British Plumbing Employers Council – qualifications, assessments and learning materials for Building Services Engineering sector
BRR	Buy, refurbish, rent out
BTL	Buy-to-let
BTR	Build-to-rent
BTS	Buy-to-sell
C2R	Commercial to residential conversion
CCA	Consumer Credit Act
CDM	Construction Design and Management
CIL	Community Infrastructure Levy - The Community Infrastructure Levy is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. (Source: planningportal.co.uk)
CIS	Construction Industry Scheme – Under this, contractors deduct money from a subcontractor's payments and pass it to HMRC. These deductions count as advance payments towards the subcontractor's tax and NI. Contractors must register for the scheme. Subcontractors don't have to register, but deductions are taken from their payments at a higher rate if they're not registered.
CGT	Capital gains tax
CML	Council for Mortgage Lenders
CPD	Continuing Professional Development
CPT	Contractual periodic tenancy
CRM	Customer relationship management (eg, CRM systems)
CTA	Call to Action
Demise	A demise is a term in property law that refers to the conveyance of property, usually for a definitive term, such as premises that have been transferred by lease.
DHCLG	Department of Housing, Communities and Local Government (formerly DCLG – Department for Communities and Local Government)
DoT	Deed or Declaration of Trust
DPS	Deposit Protection Service
EHO	Environmental Health Officer
EIS	Enterprise Investment Scheme
EPC	Energy performance certificate
FCA	Financial Conduct Authority
FHL	Furnished holiday let
FLEEA cover	Insurance cover for Fire, Lightening, Explosion, Earthquake and Aircraft impact, but no other perils. Some times issued for a property that has been empty for some time
FPC	Financial Policy Committee
FRA	Fire risk assessment
FSCS	Financial Services Compensation Scheme
FTB	First time buyer
GCH	Gas central heating
GDP	Gross domestic product
GDPR	General Data Protection Regulation
GDV	Gross Development Value
GOI	Gross operating income
HB	Housing benefit
HHSRS	Housing Health and Safety Rating System
HMO	House of Multiple Occupation
HNWI	High Net Worth Individual a certified high net worth investor is an individual who has signed a statement confirming that he/she has a minimum income of £100,000, or net assets of £250,000 excluding primary residence (or money raised through loan a secured on that property) and certain other benefits. Signing the statement enables receipt of promotional communications exempt from the restriction on promotion on non-mainstream pooled investments. (Source: FCA)
HP	Hire Purchase
HSE	Health and Safety Executive
ICR	Interest Cover Ratio
IFA	Independent financial advisor
IHT	Inheritance tax
IRR	Internal Rate of Return
JCT (contract)	Joint Contracts Tribunal – produce standard forms of construction contract, guidance notes and other standard forms of documentation for use by the construction industry (Source: JCT)
JV	Joint venture
JVA	Joint venture agreement
KPIs	Key Performance Indicators
L8 ACOP	Approved Code of Practice L8 – Legionella Control and Guidance
LACORS	Local Authorities Coordinators of Regulatory Services
LHA	Local Housing Authority
Libor	London Inter-Bank Offered Rate
LLP	Limited Liability Partnership
LTV	Loan To Value
MCD	Mortgage Credit Directive (European framework of rules of conduct for mortgage firms)
MVP	Minimum viable product
NALS	National Approved Letting Scheme

NICEIC National Inspection Council for Electrical Installation Contracting

NLA National Landlords Association

OIEO Offers in excess of

OMV Open market value

ONS Office for National Statistics

PBSA Purpose-built student accommodation

PCA Property Care Association, a trade organisation for specialists who resolve problems affecting buildings

PCOL Possession claim online

PD Permitted Development / Permitted Development rights – you can perform certain types of work on a building without needing to apply for planning permission. Certain areas (such as Conservation Areas, National Parks, etc) have greater restrictions. Check with your local planning authority.

PI insurance Professional Indemnity insurance

PLO Purchase lease option

PM Project manager

PRA Prudential Regulation Authority – created as a part of the Bank of England by the Financial Services Act (2012), responsible for the prudential regulation and supervision of around 1,500 banks, building societies, credit unions, insurers and major investment firms. (Source: Bank of England)

PRC Pre-cast reinforced concrete. Often used for residential construction in the post-WW2 period, but considered as non-standard construction and difficult to mortgage. Most lenders will not lend unless a structural repair has been carried out in accordance with approved PRC licence, supervised by an approved PRC inspector. Legal evidence of the repair is issued in the form of a PRC Certificate of Structural Completion. (Source: prchomes.co.uk)

PRS Private Rented Sector

R2R Rent-to-rent

REIT Real Estate Investment Trust

RGI Rent guarantee insurance

RICS Royal Institute of Chartered Surveyors

RLA Residential Landlords Association

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

RSJ Rolled-steel joist – steel beam

RTO Rent to Own

RX1 Form used to register an application to the Land Registry to place a restriction on the legal title of a property to protect the interests of a third party. The restriction will prevent certain types of transaction being registered against the property (eg, sale, transfer of ownership or mortgage)

S8 or Section 8 Named after Section 8 of The Housing Act 1988. A Section 21 Notice (or Notice to Quit) is served when a tenant has breached the terms of their tenancy agreement, giving the landlord grounds to regain possession. Strict rules apply. See https://www.gov.uk/evicting-tenants/section-21-and-section-8-notices for up-to-date information.

S21 or Section 21 Named after Section 21 of The Housing Act 1988. You can use a Section 21 Notice (or Notice of Possession) to evict tenants who have an assured shorthold tenancy. Strict rules apply. See https://www.gov.uk/evicting-tenants/section-21-and-section-8-notices for up-to-date information.

S24 or Section 24 Section 24 of the Finance Act (No. 2) Act 2015 – restriction of relief for finance costs on residential properties to the basic rate of Income Tax, being introduced gradually from 6 April 2017. Also referred to as the Tenant Tax'.

S106 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:

- Prescribe the nature of development
- Compensate for loss or damage created by a development
- Mitigate the impact of a development

(Source: planningportal.co.uk)

SA Serviced Accommodation

SAP (assessment) Standard assessment procedure

SARB Sale and Rent Back

SDLT Stamp Duty Land Tax

SI Sophisticated Investor (Source: FCA)

Certified: individual who has a written certificate from a "firm" (as defined by the FCA) confirming he/she is sufficiently knowledgeable to understand the risks associated with engaging in investment activity.

Self-certified: individual who has signed a statement confirming that he/she can receive promotional communications from an FCA-authorised person, relating to non-mainstream pooled investments, and understand the risks of such investments. One of the following must also apply:

(a) **Member of a syndicate of business angels for at least six months;**

(b) **More than one investment in an unlisted company within the previous two years;**

(c) **Working in professional capacity in private equity sector or provision of finance for SMEs;**

(d) **Director of a company with annual turnover of at least £1m within the previous two years.**

SIP(s) Structural integrated panels

SME Small and Medium-sized Enterprises

SPT Statutory periodic tenancy

SPV Special Purpose Vehicle – a structure, usually a limited company, used when more than one person invests in a property. The legal status of the SPV protects the interests of each investor.

SSTC Sold Subject To Contract

TPO The Property Ombudsman

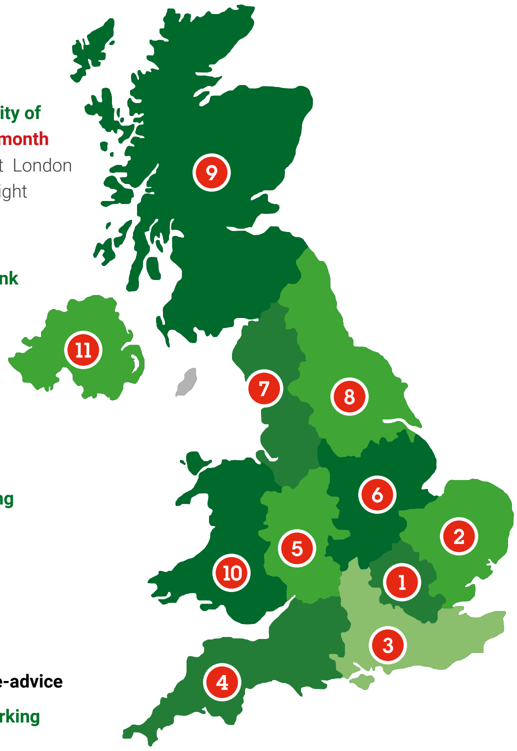
UC Universal credit

UKALA The UK Association of Letting Agents

USP Unique selling point

VOA Valuation Office Agency

NETWORKING EVENTS



ZONE 1

Blackfriars pin
4th Tuesday of the month
Crowne Plaza 19 New Bridge Street Blackfriars London EC4V 6DB
Host: Jo Jamison da Silva
www.blackfriarspin.co.uk

Canary Wharf pin
1st Thursday of the month
De Vere Conference Suite No. 1 Westferry Circus London E14 4HD
Host: Samuel Ikhinmwin
www.canarywharfpin.co.uk

Clapham pin
1st Tuesday of the month
Landor Space 70 Landor Road Clapham London SW9 9PH
Host: Stuart Ross
www.claphampin.co.uk

Croydon pin
3rd Wednesday of the month
Jurys Inn Croydon Hotel Wellesley Road Croydon CR0 9XY **Host:** Elsie Ofili
www.croydonpin.co.uk

Kensington pin
2nd Wednesday of the month
Holiday Inn - Kensington High Street Wrights Lane, Kensington, London W8 5SP **Host:** Abs and Adam Hassan
www.kensingtonpin.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

PPN London Knightsbridge 14/01/2020
Leo Nova South, 160 Victoria Street Westminster London SW1E 5LB.
Hosts: Pippa Mitchell & Tej Singh
progressivepropertynetwork.co.uk/knightsbridge

PPN Blackfriars 13/01/2020
Crown Plaza 19 New Bridge St London EC4V 6DB **Host:** Kevin McDonnell
progressivepropertynetwork.co.uk/mayfair

PPN Bank 06/01/2020
Brand Exchange Members Club 3 Birchin Lane London EC3V 9BW
Host: Michael Primrose
progressivepropertynetwork.co.uk/bank

PPN London St. Pancras 15/01/2020
WeWork Kings Place 90 York Way London N1 9AG **Hosts:** Jamie Madill & Steve Mitchell
progressivepropertynetwork.co.uk/stpancras

PPN Mayfair 21/01/2020
The Lansdowne Club 9 Fitzmaurice Pl, Mayfair, London W1J 5JD
Host: Kamila Wszolek
progressivepropertynetwork.co.uk/mayfair

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 Plane 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

Property Leverage Network - London
1st Monday of the month Pavillion End 23 Watling Street London EC4M 9BR
Host: Karun Chaudhary (07542210168)

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/CentralLondonPropertyNetwork

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 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

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

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

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

Elephant & Castle Wealth Investing Network 1st Tuesday of every month
London South Bank University Keyworth Street Keyworth Building SE1 6NG
Host: Sonia Blackwood

Global Investor Club London
2nd Thursday of every month
City Business Library Guildhall London EC2V 7HH **Host:** Jan Kortyczko
fb.com/GICLondyn Please note that most speakers are presenting in Polish

Female Property Alliance
3rd Tuesday of every month
Doubletree Victoria Bridge Place SW1V 1QA **Host:** Bindar Dosanjh
http://femalepropertyalliance.co.uk

Croydon Property Meet
1st Wednesday of the month
Croydon Park Hotel Altyre Road Croydon. CR9 5AA
Hosts: Rob Norton and Sel Fayyad
www.croydonpropertymeet.com
rob@croydonpropertymeet.com
sel@croydonpropertymeet.com

THE PROPERTY HUB
1st Thursday of the Month
http://thepropertyhub.net/meetups

London West Smith's Cocktail Bar Brook Green Hotel 170 Shepherd's Bush Road Hammersmith London W6 7PB

London East Property Hub Invest 1 Naoroji Street London WC1X 0GB

Rent 2 Rent Live!
11th November 2019 6.30pm – 9pm
CitizenM Hotel, 40 Trinity Square, London EC3N 4DJ (event access via 7th Floor bar/reception). **Host:** Steve Curtis
facebook.com/Rent2RentLive

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: Chris Jones **www.norwichpin.co.uk**

PPN Ipswich 13/01/2020 Ufford Park Hotel, Melton, Woodbridge, IP12 1QW
Host: Halstead Ottley
progressivepropertynetwork.co.uk/ipswich

PPN Brentwood 07/01/2020
Holiday Inn Brook Street CM14 5NF
Hosts: Sarah and Tony Harding
progressivepropertynetwork.co.uk/brentwood

PPN Peterborough 20/01/2020
Holiday Inn Thorpe Wood Peterborough PE3 6SG **Host:** Josh Shaw
progressivepropertynetwork.co.uk/peterborough

Colchester Property Circle
2nd Thursday of each month - 7.30pm
The Greyhound Pub, High Street, Wivenhoe CO7 9AH **Host:** Phil Sadler
https://bit.ly/2Kld96t

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

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
Hoebridge 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:** David Granat
www.oxfordpin.co.uk

Reading pin1st 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:** Andy Gaught & Jonathan Barnett
www.berkshirepin.co.uk

Southampton pin
1st Tuesday of the month
Chilworth Manor Hotel Southampton Hampshire SO16 7PT
Hosts: Nigel Bugden & Jon Woodman
www.southamptonpin.co.uk

Brighton pin
3rd Thursday of every month
The Courtlands Hotel 19-27 The Drive Hove East Sussex BN3 3JE
Host: Peter Fannon
www.brightonpin.co.uk

Basingstoke pin
4th Wednesday of the month
The Hampshire Court Hotel Centre Drive Great Binfield Road Chineham Basingstoke RG24 8FY
Hosts: Seb and Aga Krupowicz
www.basingstokepin.co.uk

Kent pin
1st Thursday of the month
Village Hotel Club Maidstone Castle View Forstal Road Sandling ME14 3AQ **Hosts:** Martin and Sarah Rapley **www.kentpin.co.uk**

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

The Property Vault
3rd Monday of the month
Eastgate 141 Springhead Parkway Northfleet DA11 8AD
Host: Dan Hulbert and Amy Rowlinson
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

The Bucks Property Meet
Last Thursday of the Month
The Bull Gerrards Cross **Hosts:** John Cox and Rachael Troughton
www.Buckspropertymeet.com

Southampton Property Hub Meet Up
1st Thursday of every month
The Leonardo Royal Southampton Grand Harbour Hotel, West Quay Road, Southampton SO15 1AG
Host: Sarah Smith
https://www.facebook.com/propertyhubsouthampton/?fref=ts

Premier Property Club - Brighton
1st Thursday of the Month
Jurys Inn Brighton Waterfront King's Road Brighton BN1 2GS
www.premierpropertyclub.co.uk/brighton

Crawley Property Meet
3rd Tuesday of every month
crawleypropertymeet.com Holiday Inn London-Gatwick Airport, Povey Cross Road, Horley, Surrey, RH6 0BA
Hosts: Tania Carson, Pam Mackenzie, Nick Parkhouse and Phil Williams.

Hampshire Property Network
2nd Wednesday of every month
The Solent Hotel, Whiteley, PO15 7AJ
Hosts: Mark Smith and HPN Team
www.hampshirepropertynetwork.com

PDPLA 2nd Monday of the month
The Inn Lodge Burrfields Road Portsmouth PO3 5HH. 7:30
Host: Joan Goldenberg **www.pdpla.com**

Mid Surrey Wealth Investing Network 2nd Wednesday of every month
Sutton United Football club, Gander Green Lane Sutton SM1 2EY **Host:** June Cruden

Property Expert Network Event (PEN)
Monday 6th January 2020, 7.00pm – 10pm Solent View Room at Pyramids, Clarence Esplanade, Portsmouth, PO5 3ST **Guest Speaker:** Ian Knight **Topic of Discussion:** Nitrates with a planning deal clinic afterwards
https://bit.ly/32N1Pof

The Reading Property Meet
Last Thursday of each month
Grosvenor Casino Reading South, Rose Kiln Lane, Reading, RG2 0SN
Host: Adam Vickers
https://bit.ly/2WLwMGs

Brighton Property Meet
3rd Wednesday of the month 6pm onwards The Cricketers, 15 Black Lion Street, Brighton, BN1 1ND
Hosts: Niall Scott & Matt Baker
www.scottbakerproperties.co.uk

PEN Kent
1st Monday of every month, 7pm till 10pm Tudor Park Marriott Hotel & Country Club, Ashford Road, Bearsted, ME14 4NQ **Guest Speaker:** Kim McGinley (Vibe Finance) **Topic of Discussion:** Property Finance Made Easy
https://bit.ly/2N3BLkM

YPN Strongly recommend that you attend your local property networking events. However the events listed are not staged by Your Property Network Ltd. Please check venue and dates on the relevant website before travelling to the event.

ZONE 4

Bournemouth pin 2nd Tuesday of the month
Village Hotel Bournemouth, Wessex Fields, Deansleigh Road, Bournemouth, BH7 7DZ
Hosts: Debbie & Mike Watts
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

Devon pin 4th Thursday of the month
Buckerell Lodge Hotel Topsham Road Exeter EX2 4SQ **Hosts:** Kevin & Sally Cope
www.devonpin.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
Grasmere House Hotel, 70 Harnham Road, Salisbury, SP2 8JN **Hosts:** James and Malcolm White **www.salisburypin.co.uk**

Swindon pin 4th Wednesday of the month
Village Hotel Swindon Shaw Ridge Leisure Park, Whitehill Way, Swindon SN5 7DW
Host: Leo Santana **www.swindonpin.co.uk**

PPN Bournemouth 21/01/2020
The Ocean Beach Hotel & Spa 32 East Overcliff Drive Bournemouth BH1 3AQ
Host: Leigh Ashbee
progressivepropertynetwork.co.uk/bournemouth

PPN Bristol 16/01/2020
Village Inn - Bullfinch Close, Filton, Bristol BS34 6FG **Hosts:** Paul Bennett and Paul Duval
progressivepropertynetwork.co.uk/bristol

PPN Bristol 07/01/2020
Sandy Park Way, Exeter EX2 7NN
Host: Traci Cornelius
progressivepropertynetwork.co.uk/exeter

PEN Wiltshire
Last Tuesday of the Month
Stanton Manor Hotel Stanton St. Quintin Near Chippenham Wiltshire SN14 6DQ **Host:** Neil Stewart **www.penwiltshire.com**

Professional Investment Group (PIG) - Plymouth 3rd Monday of the month
Boringdon Hall Hotel and Spa Boringdon Hill Colebrook Plymouth PL7 4DP **Host:** Angelos Sanders **www.pig.network**

Bristol BMV Property Options Last Thursday of every month The Holiday Inn Bond Street Bristol BS1 3LE **Host:** Del Brown
www.bmvpropertyoptions.co.uk/property-investment-meeting-pim

Professional Investment Group (PIG) - Cornwall 1st Monday of the month
The Alverton Hotel, Tregolls Rd, Truro,TR1 1ZQ
Hosts: Angelos Sanders & Matt Pooley
www.pig.network

Torbay Free Property Meet
2nd Monday of the month from 7pm
Chelston Manor, Old Mill Rd, Torquay TQ2 6HW
Hosts: Ed Akay and Mel Richards
www.facebook.com/torbayproperty

Exeter Free Property Meet
First Thursday of the Month from 7pm
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 **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 Hunnable
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.coventryandwarwickshirepin.co.uk

Worcestershire pin
1st Wednesday of the month
Chateau Impney Hotel, Bromsgrove Road, Droitwich Spa, WR9 0BN
Hosts: Andy & Karen Haynes
www.worcestershirepin.co.uk

Stoke-on-Trent pin
2nd Wednesday of the month
Premier Inn Trentham Gardens Stoke Stone Road Stoke-on-Trent ST4 8JG **Host:** Steve Barker-Hall
www.stokepin.co.uk

PPN Wolverhampton 07/01/2020
The Cleveland Suite, Wolverhampton Racecourse, Gorsebrook Road, Wolverhampton WV6 0PE **Hosts:** Liam McCullough & Joe Lane
progressivepropertynetwork.co.uk/wolverhampton

PPN Birmingham 08/01/2020
Members Club House Edgbaston Priory Club Sir Harry's Road Edgbaston Birmingham B15 2UZ
Hosts: Kirsty Darkins, Stephen Fryer & Chris Taylor
progressivepropertynetwork.co.uk/birmingham

PPN Leamington Spa 15/01/2020
The Saxon Mill Coventry Road Guys Cliffe Warwick Warwickshire CV34 5YN **Host:** Mark Potter
progressivepropertynetwork.co.uk/leamingtonspa

Great Property Meet Warwickshire
3rd Monday of the month - 20th January Dunchurch Park Hotel & Conference Centre Rugby Road Dunchurch, Warwickshire, CV22 6QW **Host:** Andrew Roberts
www.GreatPropertyMeet.co.uk

Saj Hussain's Property Meet
3rd Tuesday of every month (except August & December) - 6pm
Novotel Hotel, 70 Broad Street, City Centre, Birmingham B1 2HT
https://www.sajhussain.com/networking

THE PROPERTY HUB
1st Thursday of the Month
http://thepropertyhub.net/meetups
Birmingham The Lost and Found Birmingham 8 Bennetts Hill Birmingham B2 5RS

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 1st Thursday of the month
Aldenham Golf & Country Club, Church Lane, Aldenham, Radlett, Watford, WD25 8NN **Hosts:** Waseem Herwitker and Shack Baker **www.watfordpin.co.uk**

Northampton pin
1st Thursday of the month
Holiday Inn Express Northampton, Junction 15, M1, Loake Close, Grange Park, Northampton NN4 5EZ
Host: Amelia Carter
www.northamptonpin.co.uk

Lincoln pin 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 14/01/2020
Nelsons Solicitors Sterne House Lodge Lane Derby DE1 3WD
Hosts: Mike Alder & Jamie Hayter
progressivepropertynetwork.co.uk/derby

PPN Northampton 21/01/2020
Hilton Hotel 100 Watering Lane Collingtree Northampton NN4 0XW **Host:** Kim Hendle
progressivepropertynetwork.co.uk/northampton

PPN Leicester 16/01/2020
Kirkby Muxloe Golf Club, Station Road, Kirby Muxloe, Leicester, LE9 2EP
Host: Kal Kandola
progressivepropertynetwork.co.uk/leicester

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**

Midland Property Forum
3rd Thursday of the month
The Oldmoor Lodge Mornington Crescent Nottingham. NG16 1QE
Hosts: Kal Kandola Hannah Hally Kelly Hally James Howard-Dobson Steve Harrison
https://www.facebook.com/MidlandsPropertyForum

THE PROPERTY HUB
1st Thursday of the Month
http://thepropertyhub.net/meetups

St Albans The Beech House 81 St Peter's Street St Albans AL1 3EG

Nottingham St James Hotel No 6 Bar & Restaurant 1 Rutland Street Nottingham NG1 6FL

ZONE 7

Liverpool pin 4th Thursday of the month
The Shankly Hotel Millennium House 60 Victoria St Liverpool L1 6JD
Hosts: 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

PPN South Manchester 23/01/2020
Best Western Plus Pinewood on Wilmslow Wilmslow Road Cheshire SK9 3LF **Host:** Mike Chadwick
progressivepropertynetwork.co.uk/wilmslow

PPN Blackpool 27/01/2020
Ribby Hall Village Ribby Road Wrea Green Nr Blackpool PR4 2PR
Host: Niki Torbett
progressivepropertynetwork.co.uk/blackpool

PPN Liverpool 22/01/2020
Marriott Hotel One Queen Square Liverpool L1 1RH **Hosts:** Andrew Budden & Alison McIntyre
progressivepropertynetwork.co.uk/liverpool

TPM Meeting Warrington
4th Monday of every month
The Park Royal Hotel Stretton Road Stretton Warrington WA4 4NS
Host: Susan Alexander
http://thepropertymentor.eventbrite.com

TPM Meeting Wigan & Worsley
4th Wednesday of the month
Holiday Inn Express Leigh Sports Village Sale Way Leigh WN7 4JY
Host: Debra Long
http://thepropertymentor.eventbrite.com

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

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 3rd Tuesday of the month from 7pm-9pm Olympic Park Unit 7 Olympic Way 1st Floor Birchwood Warrington Cheshire WA2 0YL (free parking)
Hosts: Patricia Li and Michael Hopewell
www.meetup.com/Warrington-Property-Investors-Meetup/

THE PROPERTY HUB
1st Thursday of the Month
http://thepropertyhub.net/meetups

Liverpool Punch Tarmey's Liverpool 31 Grafton St Liverpool L8 5SD

Manchester The Bridge Street Tavern 58 Bridge Street M3 3BW

Connect property network
1st Wednesday of the month
Wychwood Park Hotel, Wychwood Park, Crewe, CW2 **Hosts:** Daniel Hennessy and Scott Williams
www.connectpropertynetwork.co.uk

Kieba Property Meet
2nd Monday of the month
Crabwall Manor Hotel & Spa, Parkgate Road, Chester, CH1 6NE **Hosts:** Kieran & Dawn Toner - Kieba Property Ltd
www.kiebapropertymeet.co.uk

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
Host: David Dixon
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 Pavilion Hotel, 45 Main Street, Fulford, York, YO10 4PJ **Hosts:** Mike Q Hainsworth and Olga Hainsworth
www.yorkpin.co.uk

Sheffield pin
2nd Wednesday of the month
Mercure Sheffield Parkway Hotel Britannia Way Sheffield South Yorkshire S9 1XU
Hosts: Paul Hastings and Stuart Cooper
www.sheffieldpin.co.uk

PPN Sheffield 21/01/2020
Mercure Hotel Britannia way Catcliffe Rotheram Yorkshire S60 5BD
Host: Kevin McDonnell
progressivepropertynetwork.co.uk/sheffield

PPN Leeds 14/01/2020 Hilton Hotel, Neville Street, Leeds LS1 4BX
Host: Mo Jogee
progressivepropertynetwork.co.uk/leeds

Property Leverage - Leeds
3rd Monday of the month
The Stables Weetwood Hall Leeds LS16 5PS (Location subject to change)
Host: Rob Hodgkiss (07398858256)

Property Leverage - Wakefield
1st Wednesday of the month
Kirklands Hotel Leeds Road Wakefield WF1 2LU **Host:** Dominic Woodward (07794223136)

Property Leverage Network – York
2nd Tuesday of every month
Beechwood Close Hotel 19 Shipton Road YO30 5RE York
www.propertyleverage.co.uk

THE PROPERTY HUB
1st Thursday of the Month
http://thepropertyhub.net/meetups

Leeds Dakota Deluxe Hotel 8 Russell Street Leeds LS1 5RN

ZONE 9

Edinburgh pin
3rd Thursday of the month
The Leonardo Edinburgh Murrayfield Hotel 187 Clermiston Road Edinburgh EH12 6UG **Host:** Taimur Malik
www.edinburghpin.co.uk

Glasgow pin
2nd Tuesday of the month
Jurys Inn Glasgow, 80 Jamaica Street, Glasgow, G1 4QG **Host:** John Kerr
www.glasgowpin.co.uk

PPN Glasgow 27/01/2020
The Corinthian Club, 191 Ingram St, Glasgow, G1 1DA **Hosts:** Philip Howard & Aaron Percival
progressivepropertynetwork.co.uk/leicester

Property Leverage Network - Glasgow
4th Tuesday of every month
Glasgow Pond Hotel Great Western Road G12 0XP Glasgow United Kingdom
www.propertyleverage.co.uk

ZONE 10

Cardiff pin 2nd Tuesday of the Month
Mercure Cardiff Holland House Hotel & Spa 24-26 Newport Rd Caerdydd Cardiff CF24 ODD
Host: Morgan Stewart **www.cardiffpin.co.uk**

Swansea pin 4th Thursday of the Month
Village Hotel Langdon Road (Off Fabian Way) SA1 Waterfront Swasea SA1 8QY **Host:** Morgan Roberts **www.swanseapin.co.uk**

PPN Cardiff 09/01/2020 Village Hotel in Cardiff, 29 Pendwyallt Road Cardiff CF14 7EF
Hosts: Sean Forsey & Phill Leslie
progressivepropertynetwork.co.uk/cardiff

ZONE 11

Belfast pin
1st Tuesday of the Month
Balmoral Hotel Blacks Road Dunmurry Belfast BT10 0NF
Host: Ian Jackson
www.belfastpin.co.uk

PPN Belfast 16/01/2020
National Football Stadium at Windsor Park Irish FA, Donegall Ave, Belfast BT12 6LW **Hosts:** Pete Lonton & Danielle Bell
progressivepropertynetwork.co.uk/belfast

Belfast Property Meet
1st Thursday of the Month
The Mac Theatre St. Anne's Square Belfast **Host:** Chris Selwood
www.belfastpropertymeet.com

PROPERTY AUCTIONS
JANUARY/FEBRUARY 2020

LONDON

Harman Healy **27/01/2020 12:00**
Kensington Town Hall, 195 Hornton Street, London, W8 7NX

Allsop Residential **13/02/20**
InterContinental Hotel London Park Lane, 1 Hamilton Place, Park Lane, Mayfair, London, W1J 7QY

Allsop Commercial **11/02/20**
The Berkeley, Wilton Place, London, SW1X 7RL

Acuitus **12/02/20** The Montcalm Hotel, 2 Wallenberg Place, London, W1H 7TN

Auction House London **12/02/20, 12:00** London Marriott Hotel, Regents Park, 128 King Henrys Road, London, NW3 3ST

Savills (London - National) **12/02/20**
The London Marriott Hotel, Grosvenor Square, London, W1K 6JP

Phillip Arnold Auctions,**17/02/20, 12:00** Doubletrees By Hilton, 2-8 Hanger Lane, Ealing, London, W5 3HN

BidX1 **18/02/20, 09:00** Online Auction

Network Auctions **20/02/20, 14:00**
The Westbury Hotel, 37 Conduit Street, London, W1S 2YF

Strettons **20/02/20,12:00**
Grand Connaught Rooms, Great Queen Street, London, WC2B 5DA

McHugh & Co **24/02/20, 12:00**
The Montcalm Hotel, 34-40 Great Cumberland Place, London, W1H 7TW

Harman Healy **25/02/20**
Kensington Town Hall, 195 Hornton Street, London, W8 7NX

Town & Country Property Auctions London **25/02/20, 12:30** Marriott Hotel, 140 Park Lane, London, W1K 7AA

Barnett Ross **27/02/20,12:00**
Hyatt Regency London the Churchill, 30 Portman Square, London, W1H 7BH

WEST MIDLANDS

Butters John Bee **27/01/2020 18:30**
The Best Western, Moat House Hotel, Festival Way, Stoke-on-Trent, ST1 5BQ

Loveitts **06/02/20,18:30** Village Urban Resort, Dolomite Avenue, Coventry Business Park, Coventry, CV4 9GZ

Bond Wolfe Auctions **27/02/20,10:30**
Holte Suite, Aston Villa FC, Trinity Road, Birmingham, B6 6HE

NORTH WEST

Main & Main **29/01/2020 12:00**
Village Hotel & Leisure Club, Cheadle Road, Cheadle, SK8 1HW

Edward Mellor Auctions **04/02/20**
The Sheridan Suite, 371 Oldham Road, Manchester, M40 8RR

Auction House North West **06/02/20,14:00** Bolton Wanderers Football Club, Macron Stadium, Burnden Way, Bolton, BL6 6JW

Venmore Auctions **12/02/20,13:00**
Liverpool Town Hall, High Street, Liverpool, L2 3SW

Sutton Kersh Auctions **13/02/20,12:00** The Hilton Hotel, Thomas Steers Way, Liverpool, L1 8LW

Cumbrian Properties - The Agents Property Auction **18/02/20,18:00**
The Auctioneer, Shepherds Inn, Carlisle, CA1 2RR

Pugh & Company **25/02/20m, 12:00**
AJ Bell Stadium, 1 Stadium Way, Manchester, M30 7EY

Andrew Kelly Auctions **26/02/20**
Rochdale Football Club, Sandy Lane, Rochdale, OL11 5DR

Town & Country Property Auctions Wrexham **27/02/20** 18:30 Grosvenor Pulford Hotel & Spa, Wrexham Road, Pulford, CH4 9DG

YORKSHIRE AND THE HUMBER

Auction House Hull & East Yorkshire **22/01/2020 18:30**
Beverley Racecourse, York Road, Beverley, HU17 8QZ

Mark Jenkinson & Son **28/01/2020 14:00** Platinum Suite, Bramall Lane, Sheffield, S2 4QZ

Regional Property Auctioneers **19/02/20** Doncaster Rovers F.C, Keepmoat Stadium, Doncaster, DN4 5JW

Mark Jenkinson & Son **25/02/20,14:00** Platinum Suite, Bramall Lane, Sheffield, S2 4QZ

Pugh & Company **27/02/20,12:00**
Leeds United Football Club, Elland Road, Leeds, LS11 0ES

NORTHERN IRELAND

Wilsons (Northern Ireland) **27/02/20**
Mallusk Auction Complex, 22, Mallusk Road, Newtownabbey, BT36 4PP

REA Leinster Auction **12/02/20,15:00** Killashee Hotel, Kilcullen Rd, Naas

O'Donnellan & Joyce **28/02/20,12:00**
The Harbour Hotel, The Docks, County Galway

SOUTH-EAST HOME COUNTIES

Pearsons Auctions **23/01/2020 14:30**
The Hove Club, 28 Fourth Avenue, Hove, BN3 2PJ

Town & Country Property Auctions South East **06/02/20,13:00**
Holiday-Inn London-Gatwick Airport, Povey Cross Road, Horley, RH6 0BA

Clive Emson Kent & South East London **10/02/20,11:00**
Clive Emson Conference Centre, Kent County Show Ground, Maidstone, ME14 3JF

Clive Emson Essex, North & East London **11/02/20,11:00**
The Chelmsford City Racecourse, Moulsham Hall Lane, Great Leighs, Chelmsford, CM3 1QP

Clive Emson Sussex & Surrey **12/02/20,11:00** Hilton Brighton Metropole, 106-121 Kings Road, Brighton, BN1 2FU

Fox & Sons (Southampton) **13/0220,13:00** Macdonald Botley Park Hotel, Winchester Road, Botley, Southampton, SO32 2UA

Clive Emson Hampshire & Isle of Wight **14/02/20,11:00** Solent Hotel, Rookery Avenue, Fareham, PO15 7AJ

NORTH WEST HOME COUNTIES

Town & Country Property Auctions Beds, Bucks, Herts & Northants **24/02/20,13:00** Moor Park Golf Club, The Orangery, Rickmansworth, WD3 1QL

Auction House Robinson & Hall **26/02/20,14:30** Delta Hotel, Timbold Drive, Kents Hill, Milton Keynes, MK7 6HL

Romans **27/02/20,13:30** Green Park Conference Centre, 100 Longwater Avenue, Reading, RG2 6GP

EAST MIDLANDS

Town & Country Property Auctions East Midlands **29/01/2020 19:00**
Colwick Hall Hotel, Racecourse Road, Nottingham, NG2 4BH

Shonki Brothers (Granby Street) **26/02/20,18:00** Leicester Race Course, Oadby, Leicester, LE2 4AL

Auction Estates **27/02/20,14:30**
Nottingham Racecourse, Colwick Road, Nottingham, NG2 4BE

SCOTLAND

Auction House Scotland **30/01/2020 14:00** Radisson Red Glasgow, Finnieston Quay, 25 Tunnel Street, Glasgow, G3 8HL

Town & Country Property Auctions Scotland **26/02/20,14:00**
House for an Art Lover, 10 Dumbreck Road, Glasgow, G41 5BW

SOUTH WEST

David Plaister Ltd **21/01/2020 19:00**
The Royal Hotel, 1 South Parade, Weston-Super-Mare, BS23 1JP

Auction House Devon & Cornwall **30/01/2020 14:00** Exeter Golf & Country Club Ltd, Topsham Road, Exeter, EX2 7AE

Kivells Bude **12/02/20,19:00**
Falcon Hotel, Bude, EX23 8SD

Kivells Holsworthy **12/02/20,19:00**
Eagle House Hotel, 3 Castle Street, Launceston, PL15 8BA

Kivells Launceston **12/02/20,19:00**
Eagle House Hotel, 3 Castle Street, Launceston, PL15 8BA

Clive Emson West Country **13/02/20,11:00** St. Mellion International Resort, St. Mellion, Saltash, PL12 6SD

Strakers **13/03/20,19:00**
The Steam Museum, Fire Fly Avenue, Swindon, SN2 2NA

Town & Country Property Auctions Dorset & Hampshire **13/02/20,18:30**
The Village Hotel, Deansleigh Road, Bournemouth, BH7 7DZ

Symonds & Sampson LLP **01/02/20,15:00** Allendale Community Centre, Hanham Road, Wimborne, BH21 1AS

Maggs & Allen **24/02/20,19:00**
The Bristol Pavilion, Nevil Road, Bristol, BS7 9EJ

WALES

Paul Fosh Auctions **06/02/20,17:00**
The Cardiff North Hotel, Circle Way East, Llanedeyrn, Cardiff, CF23 9XF

All Wales Auction - North Wales Auction **20/02/20** M-S Parc, Parc Gwyddoniaeth Menai, Gaerwen, LL60 6AG

Dawsons **26/02/20,15:00**
Swansea Marriott Hotel, Maritime Quarter, Swansea, SA1 3SS

EAST ANGLIA

Auction House East Anglia **12/02/20,11:00** Dunston Hall Hotel, Ipswich Road, Dunston, Norwich, NR14 8PQ

Auction House East Anglia **13/02/20,14:00** Holiday Inn (Wolsey Room), London Road, Ipswich, IP2 0UA

Auction House East Anglia **14/02/20,12:00** Knights Hill Hotel, Knights Hill Village, Grimston Road, Kings Lynn, PE30 3HQ

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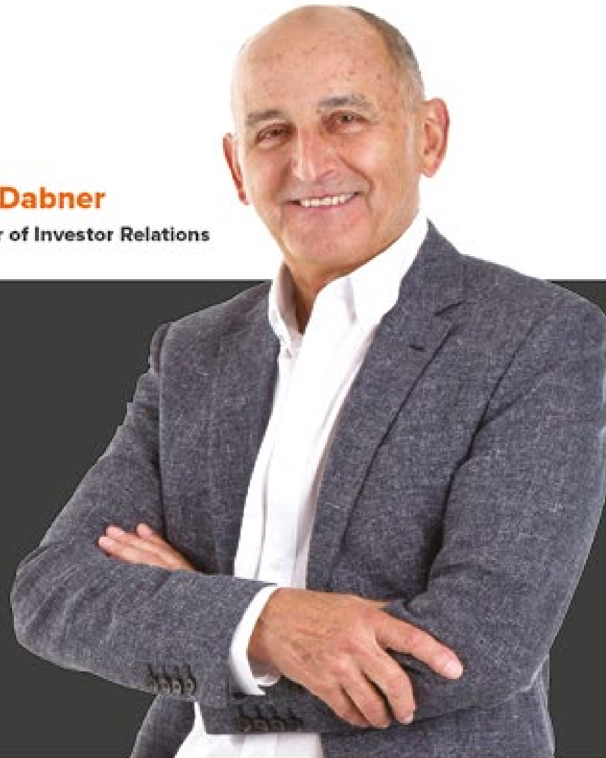
Director of Investor Relations



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