

# Blue Bricks

MAGAZINE

THE PROPERTY INVESTOR MAGAZINE

CDM & THE COMMERCIAL CLIENT

## PAUL TINKER

MY STORY OF SUCCESS  
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FINDING D2V LEASE OPTIONS

HOW TO MARKET TO INVESTORS

PROPERTY TIPS AND TRICKS

### MARKET PULSE

BEING AN INVESTOR DURING THE CORONAVIRUS PANDEMIC

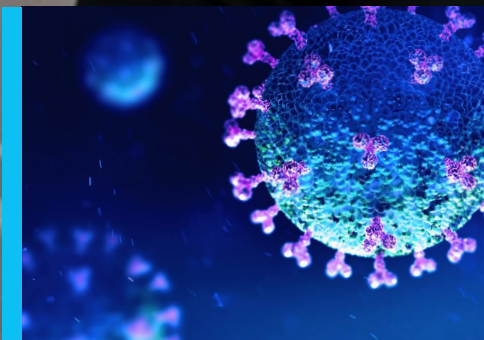
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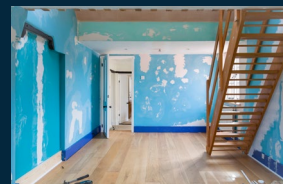
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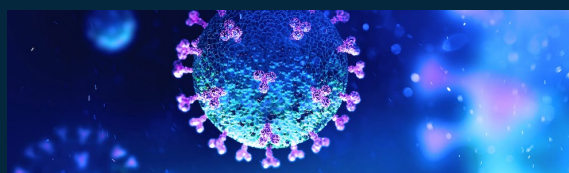
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EDITOR



**CAROLINE MONKS**  
EDITORIAL DIRECTOR

[BLUEBRICKSMAGAZINE.COM](http://BLUEBRICKSMAGAZINE.COM)

## DELIVER VALUE

My vision for this magazine is to bring together the best in property. It's well known that there is a lot of controversy in the market right now, which sometimes gives the industry a bad name.

What we all do as property investors is valuable to society and our aim is to help investors, beginner and professional, to further their careers in a meaningful way.

**We hope you'll stick around with us.**

 **HELLO**

## I'M CAROLINE

We are excited to introduce a brand new magazine that we hope will stand out not only for being informative and credible, but also for being down to earth and full of character thanks to the fantastic people contributing as part of our team.

Whether you're at the very first stage of becoming an investor and subscribing to as many YouTube channels as possible, or you're a seasoned veteran and have worn through your 3rd pair of steel toe-capped boots, we aim to provide value to you all.

Our contributors have 'been there and done it' and are happy to share their knowledge to help you to avoid the pitfalls and hopefully provide some light-hearted entertainment along the way!



**NATHAN WINCH**  
MANAGING DIRECTOR

# MEET THE COLUMNISTS



## Kevin Wright Investments

With over 35 years of experience in the property industry, particularly in finance, Kevin is a finance veteran. He owns Invisible Investors, a property education company that trains and enlightens investors on how to use creative finance to buy multiple properties, faster, but with much less cash.

Loves the colour yellow.



## Joanne Saint Marketing

Jo is a dedicated marketing professional with 20 years experience, both CIM and ILM qualified and owner of a marketing company that helps devise strategy for firms large and small. Jo is also a property investor, developing a portfolio and supporting other investors to do the same with her skills and contacts.

Corporate marketer, yet not boring.



## Will Norrington Insurance

As well as having decades of experience in property and previously an owner of an award-winning estate agent, Will works in insurance and mortgages under his brand, William Frank. He works with agents helping them sell, as well as securing finance. Has the largest collection of the cheesiest dad-jokes in the observable universe.



## Paul Tinker Construction

Paul is a property entrepreneur delivering construction services to property investors. Specialist in refurbishments and conversions. He also owns a safety consultancy run by a dedicated, fully qualified team. He also owns a deal sourcing business as well as a construction development company. Likes dressing up as a clown and scaring Lisa.



## Caroline Monks Editor

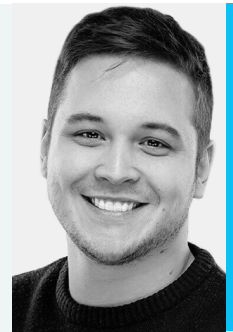
With a background in sales and consultancy, Caroline is great at managing relationships and able to get the best out of everyone she works with. She started out in property in 2019, securing her first BTL property which is currently being converted to a HMO.

Able to talk for England.

## Nathan Winch Business

Nathan is an investor and entrepreneur of over 12 years. He's started, grown and sold businesses in the medical space. He is now a property investor, focusing on commercial assets. He owns a property portfolio that spans the UK, as well as investments in over 11 small businesses.

Loves nice holidays, yet never actually goes on any.



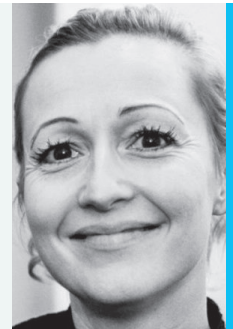
## Tony Pomphrett Finance

Tony is an experienced mortgage broker with a history of working in the financial services industry. Tony is skilled in business development, residential and commercial mortgages, bridging and development financing for any sized project. Graduated from Barking Technical College. Superman of the mortgage brokerage world.



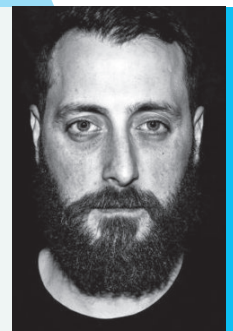
## Lisa Tinker Compliance

Lisa is an experienced founder with a demonstrated history of working in the Professional Training industry. Strong business development professional graduated from NCRQ Level 6. Track record in property development and management, particularly in the field of construction. Prefers kisses from her dog to those from her husband.



## Anthony Boyce Design

Anthony is an experienced Architectural Technologist with a passion for property. Investor involved in BTL, HMO & Serviced Accommodation units, predominantly in the North East of England. Co-founder of The Property Thing monthly property networking event and owner of Rocket Architectural Design. Looks sinister, but as jolly as Father Christmas.



## Ben Quintrell Lettings

Ben has been a letting agent for 15 years, 8 of which he has run his own business, 'My Property Box', a forward-thinking, tech-embracing letting agency. He's an active property investor specialising in single-lets, commercial and serviced accommodation.

Has more grey hairs because of his wife and kids than from his lettings business.



# FEATURED LETTER

We asked our readers about how Covid-19 had affected their property businesses. We received this letter from Paul Million, a prolific investor in the North East of England. He shared his experience and thoughts with us. [letters@bluebricksmagazine.com](mailto:letters@bluebricksmagazine.com)

Dear Blue Bricks Magazine,

I was down in London doing a bit of networking (Knightsbridge PPN don't ya know!) and researching co-living / co-working environments when the interest rate bomb dropped! 0.5%? In a 'one-er'? WOW. I nearly spat my frappe-latte-mochachino with sprinkles all over my man-bag...

Now, I'm a seasoned, been round the block more times than 'Jenny-from-the block', 3 decades of land-lording type leather-faced ape so I knew this meant one thing. This was The Government moving towards an Economic Defcon-4. A kind of 'siege mentality' ensued, in my head at least. A couple of days before Lockdown came, one of my three SAs (serviced accommodation) had emptied of a six-month booking. I expected my other two SAs to empty of the Eastern European contractors but they turned out to be Amazon contractors, so all good. Amazon coming to town has done Darlington a huge favour. I had devised and posted on FaceyB about my new strategy SA 2 HMO expecting to repurpose them as Mini-Mos which I only had to do with one SA. Two brothers took my empty one for £200 per week. Costs easily covered. No servicing on any SAs. The missus was pleased!

I created Bandit-Boards for strategic places around The Hospital carpark offering accommodation to key workers. That was for a couple of single lets I had coming up. I had surprisingly little response but there was another turn of good luck with Amazon requiring more accommodation for 'Key Workers' so they are full for at least 5 months. These needed furnishing and the workers arrived after Lockdown so we pilfered our lockups and cobbled, begged, borrowed and stole enough furniture to purpose them as SA.

Just pre-Lockdown a few of my HMO rooms had started to empty of young professionals running for the hills, or rather a cushy lockdown with Mum & Dad, to add to the four empty rooms I already had. I set about hitting Spareroom.co.uk with added impetus to see what I could fill and yeah, with Amazon coming to town the demand was there and also other young professionals getting settled in time for a work placement, who paid, but never arrived! They had signed their ASTs online and are currently in a holding pattern but still paying rent.

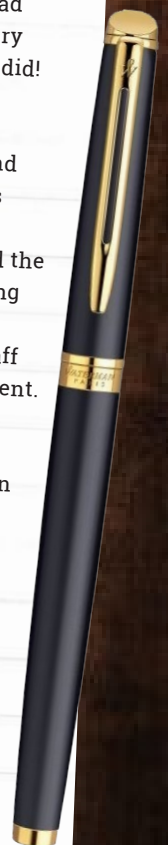
I co-host The Property Thing networking extravaganza with Anthony Boyce and previous to all this we had not exactly ignored, but had been sceptical of warnings that Harpreet Badwal, The Health & Safety Industry guy had given us regarding 'no public gatherings' in the near future. Nah, surely, won't happen? Oh yes it did! 100%. None of that networking malarkey!

I was massively driven and put in silly hours at work to sort all this out and my own lads were flying round sorting it all too. I messaged all my tenants single let and house-share group chats to say that no-one was to worry, we had their backs 100% in this. We had time on our side and to please contact us if anyone was worried about their jobs and subsequently their rent. I'm a massive believer that as long as no-one ignored the situation we could help them, and we would know where our cashflow would be. Thanks to Boris & Co doing a sterling job of the Sterling flow we received a grant and we just paid any outstanding invoices to all and sundry so we knew we were operating from a datum point. Very few suppliers' bills to come in and just staff to pay and the usual mortgages etc. March month end was good with 100% Occupancy and 2% paying 50% rent.

I start work really early and finish late so I've been self isolating in my office while my dependants, home from uni and off school, bask in the April sun. I've had three investors go into the inevitable holding pattern on three big HMO/co-Living/apartment projects and one investor appeared wanting to do business albeit cautiously of course. I'm going ahead with the planning gain on my future projects anyway. They take two months to get and it's a 'Sprat to catch a Mackerel' for when the dust hopefully settles. Surviving the last recession and building a more robust portfolio as a result certainly helped my mindset in this one. It helps being focused on solving problems. Massive thoughts going out to those who've suffered as a result of this pandemic.

Much Love,  
**Paul Million**, Real Property People Ltd  
Darlington

SEE MORE LETTERS ONLINE  
[bluebricksmagazine.com](http://bluebricksmagazine.com)





# TOOLBOX TALK



Lisa Tinker

Regularly I hear developers and contractors say that the CDM Regulations do not apply to them or to their projects because either their project is too small, it's just a quick job or they believe that someone else is responsible. This is a massive misconception.

## CDM 2015 - The Commercial Client

CDM stands for The Construction (Design and Management) Regulations 2015. These are the main set of regulations for managing the health, safety and welfare of construction projects.

CDM 2015 applies to all building and construction work and includes new build, demolition, refurbishment, extensions, conversions, repair and maintenance. So, no matter how big or small your project is, or how long or short the duration of the works will last, CDM will apply to your project.

The Client is the person or organisation who is having the work carried out. A Client can be a Commercial Client or a Domestic Client. Now this can cause confusion and here is why. A Commercial Client is not defined as a Client who is carrying out works on commercial premises. A Commercial Client is a person or organisation that is doing the work as part of a business or for a business. This means you are a Commercial Client if you are, for example, a landlord doing repairs on your properties, refurbishing a buy to sell or buy to let, decorating a rent to rent, building new homes, undertaking a full refurbishment or repairing a garden wall on a rental etc. Remember if you are a business or doing the work as part of a business then you are a Commercial Client under CDM 2015, and you need to discharge the duties assigned to the role. The Commercial Client is the key to kick starting the project effectively, efficiently, and compliantly and the way in which you set out the project will have a huge impact on the successful safe delivery of the development.

If you are a Commercial Client, then it is vital you understand and discharge your duties in accordance with the regulations. In my experience when this does not happen it's down to confusion, a sense of being overwhelmed and insufficient time given over to project planning.

Most of us in the property world have been guilty of getting a serious case of 'eager beaver' once we get the keys to our latest project. We want to get in there and start ripping out the avocado bathroom

suite so we can start coating the rooms in elephant's breath grey with copper accessories and contrasting signature colours. Well, you will need to cool your jets as you have just entered the Pre-Construction Phase. If you're at the Pre-Construction Phase, you need to:

\*Make suitable arrangements for managing the project. These arrangements will include:

\*Appointing the contractors and designers including the Principal Designer (PD) and Principal Contractor (PC). The PD and PC need to be appointed formally in writing, so you can forget agreeing this on a gentlemen's handshake. If you fail to appoint then you appoint yourself! In any case, whoever you appoint must have sufficient skills, knowledge and experience. This will mean doing your homework on the person you appoint.

\*Allow sufficient time and resources for each stage of the project. Be realistic about the programme of works and what resources are required to deliver the project safely.

\*Make sure that the PD and PC appointed to the project carry out their duties. If you are not sure what these are, then this is the time to find out.

\*Ensure that suitable welfare facilities are provided for the duration of the project. This is massively important for many reasons: firstly, for people's health and wellbeing; secondly, to treat people with respect and dignity ensuring that their basic needs are accounted for on your project; and, thirdly, if you fail to ensure this happens and the development goes without the basic welfare requirements, it won't be long before you get complaints of contractor's tiddling in bushes and buckets whilst Mrs Smith next door was trying to enjoy her afternoon tea.

\*Maintain and review the management

arrangements for the duration of the project. This is about checking in with the project team and finding out if the plans are working. If they are not working, then do something about it.

\*Provide Pre-Construction Information (PCI) to every designer and contractor either bidding for the work or already appointed to the project. This is a case of handing over the information you already have or could reasonably acquire so that the works can be planned safely. If you have not done this before, then your PD will be able to help you compile this information.

\*Ensure that the PC or Contractor (if there is only one contractor on the project) prepares a Construction Phase Plan. This document is the project's safety bible and the PC will need to keep this document live as the project progresses. This needs to be completed before the construction phase commences.

\*Ensure that the PD prepares a health and safety file for the project and that it is revised as necessary and made available to anyone who needs it for subsequent work at the site.

\*For projects where planned construction work will last longer than 30 working days and involves more than 20 workers at one time, or where the work exceeds 500 individual worker days, then Commercial Clients must notify the HSE and ensure a copy of the notification is displayed on site. The notification is known as the F10 and the form can be completed on the HSE's website.

The great thing here is if you are not sure how to go about this or you don't have the time, then get help. A good health and safety consultant will work with you to ensure that these duties are squared away for you nicely.



# PAINTS & COLOURS

In the world of property there seems to be one topic that many of us love above all others: decor! And more specifically, the colours we choose to paint our properties. We asked The Property Thing Network Group in Darlington to tell us what they choose to splash on the walls of their projects, and why.

**Chris Bunn**, of Goldcrest Property Investment, based in Teesside, opted for grey tones to catch the eye of buyers for this newly renovated 4-bed, semi-detached house in Stockton-on-Tees.

**Farrow & Ball Blackened for the main colour and Plummet for the feature wall, with white woodwork**

"I feel like there's too many whites and magnolias around in the property world. I wanted this to appeal to first-time buyers or young families who are all about the grey tones. It's ready to just drop their furniture in and give it some colour pops with accessories."



The Property Thing

**Dean Jones**, of Urbanlets, based in Leeds, is a fan of a feature wall for his HMO properties.

**Dulux Thunder Clouds (feature wall) and Silver Shores for the lighter walls**

"For this HMO in Grimsby we opted for bold, lower maintenance colours. Our choices are on trend, just what tenants are looking for, this helps us to fill our rooms more quickly and for a higher rate."



**Rachel Tasker**, of Northside Homes Ltd, based in Gateshead, chooses **Brilliant White** every time for all of her single-let properties.

"I love the brightness white creates, I like the feel of a fresh, clean room. Rooms feel bigger. Anything a person brings with them will go with it. It's a faster job with no cutting in. It's cost effective. The first person to view usually takes them."



**Anthony Boyce** of Diversify Property Solutions, based in Darlington, chose to add a striking feature wall to his newly renovated 3-bed, semi-detached house.

**B&Q Vence (Blue feature wall) with white walls and woodwork**

"This property was meant to be a flip, using plain white throughout the house, so we wanted to create some contrast and colour for our glossy sales pics. I love a dark blue, like Stiffkey or Hague by Farrow & Ball, but opted for this one due to its lower cost. It's as cheap as chips but looks really classy, in my opinion."

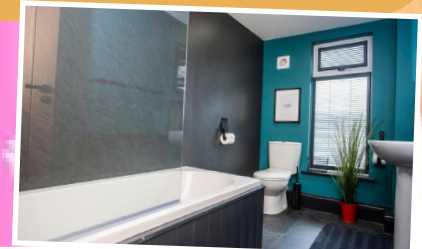


**Paul Million**, of Real Property People Ltd, based in Darlington, isn't one to shy away from colours that make a statement in his HMO properties.

**Farrow & Ball Vardo (Green) top, Hardwick White bottom**

"I used Vardo to breathe life and vibrancy into the space which just contrasts phenomenally with the F&B 'Off Black' skirts & matchboard bath panel, black bathroom 'Perfect Fit' venetians, fittings & accessories & charcoal showerpanel wall.

F&B Hardwick White is my current Go-To Grey Neutral, providing the backdrop for most of my latest HMO & SA schemes. It is versatile & provides carte blanche in matching any other chosen feature wall, accessory, furnishing or artwork. I love using it on woodwork & doors and it looks as smart as a carrot with a black door."



# CASE STUDY OF THE MONTH

Our processes for contractor selection are a lot more rigorous now!

We were always told to stay away from modern method of auction sales due to the extensive fees involved. I'm so glad we didn't! Although, we sure experienced our fair share of difficulties.

We were quite new to property investing having just completed our very first project. We managed to deliver a 'no money left in' flip in the form of a two-bedroom flat in Telford, Shropshire which is our regular stomping ground. Eager to get our next deal underway we came across a horrible looking property, the sort that looked like it hadn't been lived in for 20 years let alone taken care of. It was a two-bedroom (soon to be three-) mid-terraced Victorian house again in Telford. Inside, it was so old that it still had the original salting table used to hang, salt and flavour joints of meat - a massive hook bolted into the kitchen ceiling.

The 'perceived' issue by most was that it was in a modern method of auction which meant one thing... big fees. Most people that I spoke to about this sale were put off, but I didn't get it. As long as you work those figures into the analysis, if the deal stacks, it stacks, right? So we pressed ahead, confident in our abilities to appraise a deal correctly.

I remember viewing the property with at least six or seven other people, all secretly checking out the property with their builders and right-hand men. I remember thinking "This would be one hell of a project, but with this many people viewing, we probably don't have too much of a chance." Oh how my mindset has changed now!

I delivered our bid via phone as I couldn't get to the room on the day. We had done all of our analysis in the same way we did on the previous project and were confident that if we got the property for the bid we had placed, we could deliver another 'no money left in' project. And we did it! We purchased our second property that afternoon! **Yes!**

For this project we decided to use a main contractor - it was a totally different beast to our first job. The refurb was on a larger scale not only in complexity of work, but also in sheer quantity as well. For the two-bed flat, we handled a lot of the work ourselves, employing individual trades where we needed them. However, we felt this project demanded a more rigid structure in terms of planning both before and during the refurbishment phases. I was still keen to be responsible for the project management though, as I like to be able to keep my finger on the pulse with the micro activity during a refurb. Getting to a point where we were comfortable to move forward with a main contractor was painful. I must have 'interviewed' at least ten people on site and followed up with half of them. It turns out I didn't do enough 'deep' research and due diligence on the company we eventually chose. I knew the best way was to appoint a contractor by recommendation but unfortunately I didn't know anyone in the area at the time. A fine example of the importance of building contacts in your local area. Had I taken the time earlier in the process to speak to some local landlords, or even homeowners who had recently had some work done on their properties, even that would have been better than my method of choosing a contractor. I'm glad to say that our processes for contractor selection are a lot more rigorous now.

At first the guys were amazing, they went above and beyond. The site was spotless every night, the speed of their work was second to none and communication was on point. After a few weeks things slowly started to unravel. It started off with the lads not turning up on site when they told me



Ash Anderson of Primal Property

## MY PROBLEM PROJECT



they would be there. Then, when I was calling to find out where they were or what was going on, they would just try to fob me off with drivel about anything they could muster on the spot. I was getting a bad feeling. Before long, time frames were slipping and, being the military guy that I am, this grated on me big time!

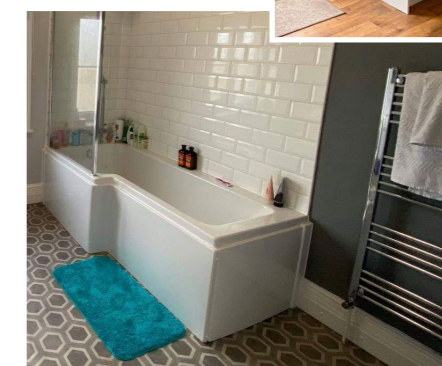
Things really started to get fruity when the contractor started to ask for payments ahead of time rather than in arrears, which should be a MASSIVE red flag to anyone. Any contractor worth his salt will have accounts with local merchants sufficient enough to float a job for at least a month without payment, allowing the owner/project manager time to check the work, and if satisfied make payment, bringing the financials of the job up to date. That process would then be repeated until the end of the job. And don't forget to hold at least 5% back at the end of the job until ALL of the snagging is signed off. Or they may not come back at all!

In the end it transpired that he had lied to me from the very start! He was having major cashflow issues, essentially taking money from one job to pay for materials and labour on other jobs - he was constantly chasing his tail. His lads were getting more and more disgruntled with him, as were his suppliers and he was masking the demise of his entire business quite successfully for a few weeks. He had the bank knocking at his door and things were not good for him.

So what would you do in that situation? You've got a job to finish and a haphazard team to finish it with. Well, what we did was sit down with the builder, help him to create a plan moving forward to get him out of the proverbial, rolled up all the sleeves we could muster and helped him and his lads to finish the job. You've got to do what you've got to do. We were so close to finishing, potential tenants lined up (we had 21 enquiries whilst the property was being refurbished) and a refinance application to sort - we needed to do whatever it took to complete the job, and we did!

Once we had dealt with the situation with the contractor, the job actually finished really well, the quality of the finish was great (something I was worried about), the tenants were moving in and the refinance was well underway. The project became another 'no money left in' deal like all of the others we've done to date. With hindsight, I should have done more digging on the contractor to find out more about him, but I don't think it would have been possible to know the full extent of his problems upfront.

Since that project we have done multiple other projects that have all been successful. Not least due to the learnings we had here and learning to impose a more rigid structure for our contractors to follow, which is actually a safety net for them and us. I would say the moral of this story is to make sure you're as comfortable as you can be when hiring a contractor and if that means doing more research upfront, do it! But let's face it, nothing will ever beat a personal recommendation from someone you trust.







# GREAT DEAL? CASH POOR?

**PROPERTY  
TIPS & TRICKS**  
with Kevin Wright

**F**or most people property deals require a substantial wad of cash to get into the game, but that isn't always the case.

Typically a mortgage requires 25% down – and that's before you start doing the refurb. Then there are the properties that are basically sound, but aren't in good enough condition to live in – and which no mortgage lender will even consider.

Properties that need a serious facelift are unmortgageable – but they also offer the investor an excellent deal. Once the work is done they're worth much, much more than the purchase price and the return on investment can be substantial – but without that essential cash, they tend to be the preserve of cash buyers. However, there are ways around this challenge – both legal and very profitable for the investor.

## Not enough cash for a deposit?

Alan found a property that had been operating as a care home, but had had to close down because the current owners were unable to fund the required improvements to meet regulations. They were asking £350K, but Alan offered £250K and this was accepted as the owners were still paying the mortgage.

Although Alan was unable to get planning permission to convert the property to an HMO, he was granted planning to return the property to

the six terraced houses it had been originally. The big problem was that Alan didn't have 25% of £250K to spend – let alone the £50K that would be required to carry out the conversion. We went to work to find the right bridging lender who agreed that the property, in its current state, was worth £350K and was happy to lend £237.5K (net with interest). This meant that Alan only had to pay 5% of the actual deposit on £250K.

Alan only had £25K left to pay for the refurb, but he started the work and then we asked the bridging lender to review the property's value. With the work that had been done, the value of the property had already risen and they released additional funds to enable Alan to complete the refurb. When all the work was done he had six properties worth a total of £450K.

## Buying from an estate agent

Bernice had found a property that had been willed jointly to four beneficiaries. They all lived in different parts of the country and none of them was interested in keeping the house. As they just wanted a quick sale to release the cash and sort out the estate they agreed to sell for £63K. However, the actual value of the property was £95-100K so there was the potential to make a substantial profit. The only problem was that Bernice didn't have enough for the deposit.



### Kevin Wright

Investor, Finance Broker,  
Speaker

Positive Property  
Finance

Using bridgers who lend based on market value we had no problem finding the funding for £60K, which left Bernice only £3K to contribute. While the property needed quite a bit of work, Bernice wasn't really interested in doing that. Instead, while the property was undergoing completion, she put it up for auction. The reserve was £65K and she was astonished to watch the bidding go up and up until the property sold for £118K.

Bernice turned the whole deal around to final completion with her buyer in just three months and paid off the bridging loan, leaving her with a nice profit to invest in other properties.

## The moral of these tales

Know how to fund your investments creatively to release their value, without tying up your capital.

# MARKETING WITH JO



Marketing Tips & Tricks



## MARKETING - LOVE IT OR HATE IT?

The idea of having to 'do' marketing will either fill you with joy and excitement or with dread and fear. I'm here to simplify it, make it accessible and help you understand why it's crucial to your business.

First let's agree on what marketing is. For me, it's simply a conversation, giving yourself the opportunity to tell your ideal client what you have to offer, while they are listening! It doesn't matter whether you have the best service in the world, if nobody knows about it, you might as well not bother. Which is why I believe marketing is the most important function of any business.

If you and I were at a party together in a room full of people, I could say to you "See that guy over there, at the bar?" You would say "Oh yeah, with the dodgy shirt?" "Yes, that's him, he's a multi-million-pound, time poor, business owner, but he'll never invest with you." "What! Why the hell not?" "Because he doesn't know you're looking for an investor, that you're a safe bet or that investing with you will make him more money than his crappy ISA."

And he never will if you aren't marketing. You get the point. Your only objectives are to achieve the magic KNOW, LIKE and TRUST. They have to know you exist and more importantly who you are and what you stand for. Will they like you? This is easily done digitally; you just have to be authentic. Your content needs to reflect you and your personal brand, more on how to

do that in the next issue. This helps attract people you are aligned with and to enjoy quality working relationships. Nobody is vanilla and nobody chooses vanilla.

Prove you're trustworthy. Showcase what you're capable of, give examples of previous projects. Do you specialise in a certain strategy or property type?

To reach your audience you have to know them intimately. You need to know their age, sex, location, income, mindset, drive and what is keeping them awake at night. **The more specific you can be, the better your marketing and conversion rates will be.**

Think about a holiday company, they might offer every type of holiday to every type of holiday buyer, but if they push out a generic message saying "Hey, we sell holidays" it will disappear in the barrage of a million other messages. No-one is stopping to think "Oh they mean me, I should click, call, visit the website."

So, they get exclusive and run a campaign specifically targeted - "Mum's, we know lockdown has been tough on you and the kids, check out our range of family adventure breaks." Their content is a mix of sales messages as well as those that show they understand and empathise with their audience. Memes of mums dealing with home schooling, competitions to win craft kits for kids, blogs about how beneficial it is for kids to spend time in nature learning new skills.

They always offered those holidays but weren't specific enough with the audience, the problem and the solution. It also doesn't matter that at the exact same time, they are running a campaign directly to holidays for "over 50's singles." People only see the messages that are relevant to them, the rest is white noise. If your aim is to attract investors, vendors or even tenants, start getting personal and consistent. You need to be putting out content every. single. week. I'll show you how. Generic wallpaper messages just won't cut it and gives them no reason to choose you above every other Tom, Dick or Penelope trying to do the same. Neither will posting once and then never again until you desperately need an input of cash, you can't win an audience like that.

There is so much more to cover and we'll go through the exact tactics in the next few issues, or check out my YouTube channel for more ideas.

**We will discuss more in each issue on various marketing aspects.**

➔ Stay ahead with us

# THE MARKET PULSE

Keeping a finger on the pulse of the property market.



**Tony Pomphrett**  
Finance Broker

It's been a crazy few weeks hasn't it? From the sheer panic of what are we going to do if we run out of toilet paper, to a 99 year-old war hero raising, what is by now £29m+, by walking in his garden - from stupid to stupendous.

A few weeks ago, you might have thought the lending market had collapsed virtually overnight. We were told lenders had stopped lending, LTVs slashed to 60%, email after email saying "business as usual" except it clearly wasn't, staff laid off or, the new word we've all become accustomed to, furloughed. Never before has that famous Dad's Army phrase been more relevant, "DON'T PANIC!"

So here we are. Mortgage rates are falling, the average two-year rate fell again this week from 2.15 to 2.11%, some two-year fixes fell, except 95% LTV deals went up, the average around 3.37%, oh yeah, 95% loans are still out there, and 50% rates have seen the largest fall.

For three-year rates, not much change except again in the lower LTVs and the same for five-, and ten-year fixes.

Barclays are lending to 80%, Halifax and Nationwide back to 85% via intermediaries only, and other High Street Banks are offering 80%

remortgage, 75% purchase using various desktop valuation models.

A major house builder will be re-opening its sites from this month with sub-contractors already returning. This will be a phased process and a strict Covid-19 code of conduct will be applied. I would expect this will apply to all firms for some time to come as we all adapt to a new, different world to the one we lived in just a few months ago.

I think we are beginning to see the end in sight, the number of people searching for property online is starting to increase again, tenants are looking for homes with gardens or by the sea, perhaps the city life is not as attractive as it was in the past, and agents say they have landlords lined up to view properties as soon as the lockdown eases.

**Life goes on but not as we knew it before, meetings will take place and we'll get used to "great to meet you, I won't shake hands if you don't mind."**



## BLACKSTONE RAISE £8BN PROPERTY FUND

Blackstone Group is the largest alternative investment company in the world. The firm specialises in private equity, credit and hedge fund strategies to generate huge profits for its funds. The company, as of the beginning of April 2020, has finished raising approximately £8,000,000,000 (\$10,700,000,000) which will target European-based property investments.

This grows the liquid assets of the firm, specifically earmarked for property investments, to just under £23bn. According to Bloomberg, this is the largest private equity capital raising since the outbreak of the coronavirus pandemic.



**James Seppala**  
Head of Blackstone Real Estate Europe

"Our scale and reach allow us to put capital to work strategically during this period of elevated volatility... The significant demand for the fund is testament to the confidence our investors have in our ability to deploy strategic long-term capital to assets and businesses across Europe." **James Seppala**, Head of Blackstone Real Estate Europe.

It is likely that this fund won't be directly invested

into property-based assets, but rather to acquire property companies or trusts which own significant amounts of commercial property. We see this from Blackstone's previous investments, such as its acquisition of Dream Global Real Estate Investment Trust which was finalised in December 2019, adding office and industrial property assets in Europe to its varied portfolio of investments. Blackstone's property portfolio is currently the largest property portfolio in the world.

Like many other landlords, Blackstone has had to communicate with its tenants across the world, in an attempt to work with them during the COVID-19 outbreak. In addition, many private equity firms, including Blackstone, have had to help protect the companies in their investment portfolios by providing capital and credit to keep them afloat.

Citing a private equity survey by CIL Management Consultants, only 4% of investors see the current financial climate as an opportunity to buy or enter the market.



**Anthony Boyce**  
Architectural Technologist

# ARCHITECTURE & DESIGN

## BUILDING REGS & PLANNING

### WHAT'S THE BLOODY DIFFERENCE?

This might be a simple subject for some of those reading this article. Like me, you may deal with these types of applications day in and day out. I imagine though, even then, the thought of submitting a planning application can bring on the sweats, nervousness, and even a bout of 'squeaky-bum-time.' So much can depend on the response from the council to your application. Your future profits from the deal. The viability of the scheme you're proposing. Or simply just keeping the other half happy as you have promised them an extension and new kitchen after years of spending money on other people's houses.

From my own experiences, whilst attending networking events over the past few years, I think there may be a little confusion between what each process or application is and at what stages you need to submit or apply for them. I will try to briefly give an overview of the

processes and application types you may encounter.

Very simply, applying for planning is the process of asking the council if you are allowed to alter a building or piece of land by extending it, changing its appearance or size, changing its use or building something new on or within it.

Building regulations, on the other hand, are a minimum set of standards that each building or change to a building must meet in order to stand up and protect its users' or inhabitants' wellbeing. It's also the levels of performance, efficiency and sustainability that the end product or project must meet, i.e.: how it must perform and behave when it has been built.

The penalties for not having the correct permissions in place can be severe. If you do not have planning permission for something, or it is deemed unsafe under building regs,

you could be made to tear the whole thing down!

So then, planning is usually submitted before the project gets to a site to be built. With a planning application, the council will assess each proposal against both locally and nationally set guidelines and policies in order to determine whether what is being proposed fits in with the council's plans for the area.

Some good documents to check out and familiarise yourself with would be the relevant council's local plan, development plan, and their supplementary planning documents and design guides. These should be freely available on their council's website.

Once you have your proposed designs and are ready to submit, you will likely head down one of the following routes in order to gain your permissions.

#### 01. Building Notice Application

This is meant for smaller-scale developments, so perhaps like a house extension where there is an assumed level of competency of your build team/designer, and where the works would not require a fire officer to assess the plans. The scheme is assessed on site as details are received/project milestones met.

Once submitted, works can start on site 48 hours after the council receives the forms. You don't necessarily require drawings for these applications, but without them, you may as well give your builder a blank cheque, so it's not advised unless you really know what you're doing, as you may have to prove that certain elements have been carried out to meet the regs.

#### 02. Full Plans Application

This is where all the information is provided to the council to check before any work commences on site.

This would be required for any change of use or mixed-use scheme, new build, or where things like fire escape routes and fire detection systems are required.

This is my preferred route, if time allows, as you generally unearth all the potential issues and hazards with a scheme before work begins. Avoiding any costly changes before you get to site.

From my own experience, I think there may be a little confusion between what each process or application is, and at what stages you need to submit or apply.

**Permitted Development** - You would use this for certain types of domestic extensions and alterations. Some change of use classes. Some types of conversion works. If you provide enough information or proof to confirm your project meets set criteria, the works will be allowable without a planning officer's input.

**Householder Planning** - For works to any existing residential dwelling that does not fall under permitted development. Wraparound extensions, raising roof heights or front external extensions (dormers etc). Assessed against policies by a planning officer.

**Listed Building Consent** - As the title suggests, you would use this permission in order to work on, extend, alter, or demolish any listed building or building within the listed buildings curtilage. Work needs to be agreed by/with a conservation officer, so can be a longer process.

**Full Planning Permission** - Needed when building a new house or development site. Changing of use for certain buildings not covered by permitted development. Any works relating to a flat. Works to a business/commercial building. Generally, most other things you can do with land.

**Pre-Application Advice** - Carried out before any formal planning application, this is guidance on what might be required to accompany an application and whether you've ticked those policy boxes, although the council aren't bound by the advice they give.

Applications can be lined up too. For example, I have been working on the conversion of a 2-bed terraced house to 5-person/bedroom HMO. The loft conversion will be carried out under Permitted Development, using the allowable 40cu.m of additional roof space we can create. A long, single-storey extension will be submitted under Householder Planning which will eventually contain the kitchen and communal space then, once completed, we'll use our Permitted Development rights again to change the dwelling (Class C3) to a HMO (Class C4) where we can have up to 6 bedrooms.

#### Building Regulations

Once you have successfully been granted planning permission, the next stage would be to obtain building regulations approval to ensure that your proposal is safe for the end users and the environment. The Building Regulations Approved Documents run from Part A – Structure, through to Part R – Physical Infrastructure for High Speed Electronic Communications Networks, covering amongst other things, drainage, ventilation, conservation of fuel and power, access to and use of buildings, and very importantly, fire. There are two main ways of applying for Building Regulations approval (see left).

Phew, I hope you managed to take all that in?!

If I can be of any help to anyone, please reach out to me via Facebook or LinkedIn, or please get involved with our online community; The Property Thing Group, on Facebook.

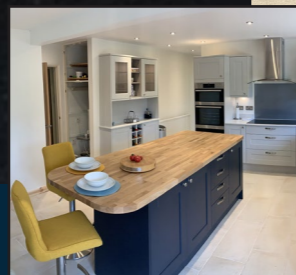


**“My success hasn't come from property, it's come from working IN property. There's a big difference.”**

# PAUL TINKER

CONSTRUCTION PROFESSIONAL

BY CAROLINE MONKS



# PEOPLE IN PROPERTY

Seasoned construction professional and project management trainer, Paul Tinker, shows how he built a successful property business without building a large portfolio. We spent an enjoyable couple of hours listening to Paul tell how he came to this point in his career.

As a young lad he was a car mechanic with a fondness for fast cars and high speeds which led to a full flush of points on his licence. One particular brush with the police and an attempted case of false identity led to an unplanned change of career.

“The last time I got caught speeding, in an Alfa Romeo, I already had 9 points and thought, ‘Sh\*t I’m gonna get banned now.’ So I lied to the copper and gave my boss’ name. He knew I was lying and locked me up for the day. I sh\*t myself cos I knew I’d lose my licence and my job so I did a runner and joined the army.” In 1994, at the fresh young age of 19, Paul applied to join the REME (Royal Electrical & Mechanical Engineers) but unfortunately failed the entry test for basic intelligence.

Luckily, the careers office informed him that the Royal Engineers would take him on. His life as a car mechanic had come to an end and he now needed to choose a new trade. “I thought, well I’ve always wanted to build my own house so f\*\*k it, I’ll learn to be a bricklayer.”

This new skill took him to building sites around the globe, to places such as Jordan, Kosovo, Cyprus, Canada, Poland and even Jamaica where he helped to build a school. In 2008, after 14 years in the Royal Engineers, Paul was now in his 30s and by this time had become a training instructor, teaching combat engineering to new recruits and really wasn’t enjoying it. He decided he’d had enough, signed off with one years notice and found himself in a careers workshop to prepare for civvy life, with no ideas of what he wanted to do next. “They were asking everyone what they planned to do on leaving and I really didn’t have an answer. The lad sat next to me, Joe was his name, said he was going into Construction Management. I thought, ‘F\*\*k it, yeah I’ll

do that’ So we were interviewed for the same job and I got it and he didn’t. He still doesn’t talk to me to this day!”

Paul said he really landed on his feet when he was asked to start straight



away as Site Manager, for a national refurb contractor, Bullock construction, working for the local authority in Scunthorpe. He’d always had an interest in doing houses up and had already bought a couple of his own to do up. Overseeing a team of contractors, he was responsible for over 2000 full house refurbishments over the next 5 years. It was in this job he realised just how inefficient a lot of contractors were in how they were operating.

“It used to drive me mad after coming from a regimented background in the military where everything was done in order, had a sequence and a way of operating. These muppets didn’t have a clue, everyone was going everywhere, it was disorganised, it was an absolute riot. I decided I needed to do something about this and I started making waves in the company, I put procedures in place and started making people dance to the way I wanted things to be done...So they got rid of me.” It became clear that the Project Manager that he reported to didn’t share the same views on progression and systemisation as Paul, as this would have meant an increased workload for him. So Paul was moved on to another site in Grimsby. “I continued to make the same noise and they clearly thought... This guy is a bit disruptive. But this time I was number one on this job, as the project manager, working on a high rise block. I thought, now’s my opportunity to put these systems in place and so that’s exactly what I did.”

Paul subsequently secured a position with the energy company Eon, in 2013, within their construction division. Again, this role involved full refurbishment projects, this time nationwide, and involved bringing empty homes back to life for the local authority to re-home people. He had taken a pay cut to start as a supervisor and began to teach his methods and procedures to the teams in his charge. Within 6 months he was promoted, as they could see the value in the way he operated. After a further 12 months he became the operations manager and within another 6 months was running a region within the business, overseeing projects as large as £18m in value.

“The methods I teach now within my own training business are the very same operating procedures that I put in place within Eon’s construction business and by which they continue to operate.” However, in January 2018, Paul was informed by his boss that a contract had been lost and a round of redundancies was to take place, of which Paul was tasked with managing the official process and writing the interview questions, which would be used to allocate scores for each person to reapply for positions.

"I knew they would cherry pick the people they wanted to keep and my job would be secure but I thought, 'A 40 grand payout?? F\*\*\* it, I want to go', so I engineered my own exit."

He sat down in front of his boss who proceeded to ask him the very same questions that Paul had written himself. The first being, could he think of a time when he had implemented a new measure into the business? Which of course he had done significantly.

"Mmm I can't think of anything."

His boss reassured him that this was just a formality and that he should relax. Then asked Paul the second question. Could he think of a time when he had implemented a new safety procedure into the business?

"Nah I can't think of anything."

"I saw the look on the boss' face as he realised what I was doing. I purposefully scored zero on all of my own interview questions, they paid me off and I left." With the redundancy money he received, Paul was fairly comfortable financially and didn't really need to work for a year.

"I thought I'd just potter around and take it easy, do a bit of work on the house and do some odd jobs for people. So I bought a van and put a card in Tesco to advertise handyman services. That same day, I got a call from a lady to put a TV up and got 40 quid. I couldn't believe it, 40 quid for 10 minutes' of work!" Despite leaving Eon on a 6-figure salary, 40 quid cash in hand is what got him buzzing! The jobs kept rolling in and I'd soon earned a grand in just three days. I thought, "Well I can make something

of this!" So, in the second week he advertised more and managed to land an extension project for 22k. During this time the work kept coming in, a HMO conversion amongst them, and he quickly realised he needed to hire staff. PTL Construction Ltd was subsequently formed in April 2018.

"The next nine months were like an explosion, I recruited 16 guys and turned over 280k in that time." A pretty good uplift from the £40 he had received on that first job! During this time, whilst working hard on his new business, Paul very openly describes himself as a "just-about-functioning alcoholic."

"It had become a part of my existence, by 3 o'clock I would down tools and go to the pub. Then one day, I woke up and I decided that was it and just stopped. There was no trigger. I've never looked back. It changed everything." This was on September 21st 2018 and he hasn't had a drink since. At a similar time to starting his construction business, which operated on behalf of clients, Paul also began a business for his own developments, PTL Developments Ltd. He used some of his redundancy money to buy an old library that was being sold with planning permission to be converted into 4 flats. However, issues arose. "They did something naughty at the point of completion" ..and the deal fell through. Paul was forced to pursue a lengthy complaints procedure and eventually got his money back but it was a long process. This resulted in a curb on the development side of the business and kept his focus on the construction business for the timebeing. With

regards to building up a property portfolio, Paul dipped his toe in the world of rentals by purchasing a couple of buy-to-let terraces at the back end of 2018, which "tick over nicely". "I don't like being a landlord, I outsource everything, I don't want my phone ringing with calls from tenants saying they need a new lightbulb, that's not my world. I need that managing, I can't have that. In fact if I could sell the two houses I've got then I probably would." Ironically, despite all of Paul's vast experience, one of his two buy-to-lets is the only one he hasn't actually renovated. "We did work on one of the houses and we're supposed to start on the other one straight after. It was habitable though and the chap just said he wanted to move in straight away so not to bother. He's still there now, he's been there a year with the same kitchen and everything in it."

April 2019 was a pivotal time for the business when Paul's wife Lisa left her full time position as a Construction Compliance Manager, to support their own construction and development businesses.

The couple had met through their mutual careers, back in 2008, and their joint knowledge and skills were to become the perfect symbiosis that would accelerate their success within the world of property and construction. The vision was for Lisa to manage the compliance of both the construction business and their own development business. In order to do so she needed to also serve the subcontractors and suppliers, which led to them forming a safety consultancy business.



This brand new business would then support their construction business, a perfect set up. Once they had progressed the construction business to this stage, with a competent team of project managers in place to oversee the day to day running of their projects, they found they could return their focus to their own development business. The real kick start of their development business was in September 2019 when they purchased a set of squash courts, and put a planning application in to convert them into eight 3 bed, 3 storey houses which, once converted, will operate as serviced accommodation. Despite the project being on standby due to lockdown, the granting of planning permission has already secured a massive uplift in value. The process to complete this development would most likely unnerve the boldest investor for their first conversion but when you've got a track record of thousands of refurbishments under your belt, have been responsible for projects to the value of 18 million and established a fully operative construction company, then you can take this step with confidence!

As the Tinkers were progressing these relatively new companies and growing within the property space, they were also developing a great reputation and they found themselves being approached with requests to find opportunities for other investors. "I'm a big believer in telling people what you do." Paul's philosophy was certainly paying off as more people wanted to join forces with them. Lisa saw an opportunity to provide a deal sourcing service and so enrolled in some training and became compliant. She formed Iris Deal Sourcing Ltd and secured deals for clients which could then be served by the construction business. And of course the safety compliance business was also supporting the contractors who were working in the

construction company.

"We had a nice circle of business going off." As their various businesses grew and they received more enquiries for help with refurbishments, they found that only a handful of investors had a solid idea of how a project should be run. They developed good working relationships with these people and continue to work with them to this day. However, they soon discovered that the vast majority of investors had no idea of how to successfully complete a refurbishment project. Now, as Paul had come from both a military and corporate background, he was accustomed to a structured, programmed approach to refurbishments. So trying to work with these investors, soon led to issues. "When I asked, Where's your specification? Where's your program? What's your budget?" they didn't have any of these things in place and I thought, 'Well I'm not working with you then.' The only way I knew how to work was the corporate way. Of course, I knew how to wing it but I also knew that would only land them in the sh\*t, so I wouldn't do it. It became a bit of a bug bear. We found we were turning people away and therefore turning business away." In July 2019, the Tinkers were on holiday in Turkey, and whilst sunbathing on a beach, found themselves discussing property and business (of course). "Why are we turning business away?" "Cos the f\*\*\*ing idiots don't know what they're doing." "Well why don't we show them what to do." "It'll take too long." "Well, let's form a training academy to show them what to do." Lisa subsequently organised an event whilst on that holiday which would take place in Hull just two days after they arrived home. Here is a woman who takes action! 28 people attended on the day. Paul told them his story and talked to them about where they



were going wrong when engaging with builders and what it is they should be doing to maximise success and minimise issues within their projects. 19 of the attendees signed up for the course, clearly realising the need to learn these skills.

"I immediately recognised that there was a gap in the market and it was great that the people there recognised this as well. They must have felt some pain working with builders too, I get that it's two sided and people have been stung by builders." This was how the Construction Training Academy came about. Paul delivered the first course over 2 days but soon realised that this wasn't enough time to cover all the content and changed it to 3 days. Then, as the content grew, it became a 6-day course. From that initial event in August of last year, more and more investors and property strategists have benefited from Paul's vast knowledge in this field to catapult their own property businesses to the next level. Paul would probably be the first to agree that there have been ups and downs along the way, but it's safe to say that what he's gained from his experiences has made him extremely good at what he does. Let's end on a great quote from Mr Tinker; wise words indeed...

**"Luck doesn't just happen to you. People aren't lucky, there's no such thing. It's when you take action on an opportunity. That's luck."**



# LETTINGS & COVID-19

## Letting Update by Ben Quaintrell

LETTING AGENT OF OVER 15 YEARS

We hope you are managing to stay safe during these worrying times; we wanted to share the steps we're taking that will allow us to continue to service our customers whilst ensuring we all emerge from this pandemic stronger than before.

### Lettings market still buoyant

Despite lots of negative news stories associated with property, much of this was centred around property sales. The letting market remains very active. We currently have key workers requiring relocation which means a database of applicants on permanent working contracts looking for property. In fact, we have had more applicants than properties available and still have people looking for quality accommodation right now!

### How can properties be let remotely?

We always pride ourselves on being tech-savvy. Our full phone system can be replicated on mobile apps, meaning that we can function much the same way as we did when we were in the office, but from the safety of our own homes. Answering calls, transferring them between departments and holding conference calls is all still possible and not been too much of a shock to the system.

### Viewings



Viewings as we all knew them (in person) have been paused, videos are proving an essential tool for

letting properties. However, it is essential to ensure each property has been unoccupied for at least 72 hours before the video is created. We can also arrange for interactive 3D floor plans to be carried out such as the one pictured, which gives a fantastically accurate representation of the property. We have had very little pushback from applicants and the majority have been very understanding of the new process.

### Access to properties

The keys we hold to properties are still safely locked in our office. However, when contractors require urgent access, or we have a tenant moving into a property, then we ensure the keys get to where they need to be without coming into contact with anyone. We do this by using a combination of key safes at properties, posting keys and leaving them in a secure place.

### Electronic signing

We use a digital application to ensure all documents that require a signature are securely signed online. This makes finding a backup copy extremely easy and ensures that paperwork never goes missing.

### Conducting check outs and inventory reports

As mentioned in the viewings section, we are leaving 72 hours between a property being vacated and conducting a report. Whenever we need to visit a vacant property for whatever reason, we take all appropriate precautions, including wearing gloves, using hand sanitiser and ensuring good air flow.

### Rent arrears

These are worrying times and although the government has offered support to many groups of people, there are some that slip through the net. For any tenants that have an issue, we aim to deal with them quickly, fairly and compassionately. I have also spoken publicly urging tenants on the importance of paying rent. In an attempt to support them further, we've created a 'COVID-19 Financial Planner' to help tenants forecast how they will continue to afford their rent, I'm happy to share this with anyone who would like to send it to their tenants.

### Inspections

We've had to pause these for obvious reasons, but due to the uncertainty regarding timescales, we're investigating the possibility of allowing tenants to use software to conduct their own inspections, so that we can report on the property even in a lockdown situation.

### Safety certificates

We're still attempting to arrange these as per government guidelines but are remaining respectful when tenants do not wish to allow contractors access. We then make a record of the attempt to arrange these which keeps us on the right side of our legal obligations as both letting agents and landlords.

This period will likely leave its mark on the way we all work. We think it's important to try and use it as an opportunity to change processes for the better and come out of this stronger than ever.

[ben@bluebricksmagazine.com](mailto:ben@bluebricksmagazine.com)

# WELCOME TO CONSTRUCTION MONTHLY

## HOW TO PRICE UP A REFURB

Firstly, I want you to come with me to our weekly shop down Tesco in Brigg, North Lincolnshire. I am walking down the aisles with my trolley keeping 2m apart from the person in front and my mind starts wandering. I think to myself - how much would it be to fill this trolley?

I had one of the mega deep trolleys, the ones where you regret putting heavy stuff in the bottom. So, how much would it cost to fill the trolley? £40? £400? £500? Could it be any of those? I have purely given you the size, so how much? Of course you need more information like how big the trolley is to give me a number without guessing. Even then it would be a guess until we priced up the items you want to put in there. What information would you need in order to price up that weekly shop? What products do you want? How much money do you have? How many of each product do you want? What quality of product do you want?

Now for me, my wife has given me a list of stuff that she wants me to pick up meaning I don't have to think or make any decisions on product selection. I spent many a year in the corporate world of refurbishment - working for local authority clients, both regional and national developers. Their whole approach was 'us' against 'them'. Client vs. Developer. A constant battle - let's see who messes up with the pricing and we will contract with them - their problem. Two good things came from that life though: I learned how I would **not** be operating (and gave me a grounding for how I would be), and I met Lisa there, my now wife and mother to one of my 4 beautiful kids.

So two of my absolute core values are to be open and honest - if I (in my construction business) were to price up a job for you and it was not going to stack up - I would tell you. All too often I see builders go in with a rock bottom price in order to get a foot in the door, to then rinse the client for extras - it's a common theme and often I overhear guys in the merchants share tips on how to best do this. Watch out for low quotes! My approach in the construction business

is the same approach I teach in the academy - a series of steps and "must includes" in order to get that price together as close as possible. I want to share 3 key things with you that you need to enable a price to mean anything: Job List, Specification and Program of Works. The Job List we need to tackle first and foremost - but where do I start with that! I remember pricing up my very first refurbishment and I was like "Where do I even start, this place needs everything doing!" It was a 2-bed, mid-terraced property - the place was a dive. I am walking down Ashby High Street in Scunthorpe and I get to the front door, a mattress and a musty smell await me in the doorway, then I see little wraps of tin foil on the ground - it was bad.

The place needed absolutely gutting - everything back to brick and full service upgrade. My gut told me at this point - £25k, I was guessing. I start taking notes and the owner says - "C'mon mate is that necessary - I'm in a rush." Now I wanted this job - at the time I couldn't afford to be picky with clients, so I had to remain polite and professional throughout. "I can move this on quicker for you if you let me know what it is that you want doing." My professional head from my former employers coming back now. "Do you have a specification, a program or at least a job list?"

"You can see what wants doing - just give me a number." Frustrated inside - how has this guy not got this very basic of information for me? I quickly realised from this conversation and many more since then - he was not alone - this was common. What is second nature and basic to me was alien to him. As the old saying goes, "You don't know what you don't know". I had 2 choices now - tell him there will be no quote without the information and risk it **OR**

Go with my gut and take a guess - a gamble - a chance "My gut feeling is £25k but that in no way forms a quote at this stage."

"When can you start mate? I'm happy at that."

"I need to firm this up and put a proposal together for you."

"Mate just get on - it's only a rental in Scunthorpe."

I am truly stunned by this approach and attitude he had toward his property business - but I get on with it and I wasn't going to lower my standards to meet his and so the proposal was still done and sent to him.

I was lucky that this guy did not care what the invoice was going to be and did not care what products were going in the property. He did care, however, about getting it finished and tenanted. Time was his driver. I am telling you this story for one reason. You begin with a BUDGET figure. The first number you need to know on a refurbishment is a BUDGET figure - not a build cost. This budget figure is the number that you can go to before you overspend and eat into your profit. My £25k was under this guy's budget and that's why he went for it. This project cost the client £21,550. He has since now attended our Project Management training and joined my Inner Circle. He is also a regular customer in my construction business, flipping property now with a systemised approach to all elements. Happier, Effective, Efficient and Compliant.

Once you have your budget figure - you need to "buy the project" this is the skilled bit. So you now have your budget figure to hand and now need to turn that into a build cost - tricky? This is where most people get it wrong. Pricing up work using square metre rates. Using budget figures as build costs. Asking for prices using Right Move photos. Asking on Facebook "how much refurb costs" - all utter horse\*\*\*\*.

Going back to the shopping trolley: remember - you can fill the trolley for £30 or £500 depending on what you put in and how much you put in. Exactly the same principle on a refurbishment - the starting point is to know and understand what needs to be done in the first place. i.e. I need 3 internal doors, a room plastering, full decoration, full carpets and to bring that in around the £6k mark. The EXACT same SIZE house could need FULL refurbishment including windows, roof, rewire, central heating, replastering the kitchen, bathroom etc., spending £30k+



Pricing up a refurbishment, conversion or update can be one of the biggest frustrations for most investors. It's the approach that matters!

Paul Tinker

**SQUARE METRE  
RATES DO NOT  
WORK.**

So we start with the "shopping list" - what is it exactly that needs to be done in the property? Once we have this list - we are starting to get into a good position. What we have now is a budget and a shopping list - like the supermarket analogy. "Here's £100 - get what you can off the list" Champagne is on the list. I only have £100 and I need all this other stuff. Let's get Prosecco and then we can get the chicken breast too. What we are doing here is making our "spend" fit our 'budget' figure. So we need to define the standards and ranges of products that will be installed in that property. So now you have your "shopping list" or bill of quantities (we won't get into that right now, maybe in another article).

When walking around that supermarket with my budget - I have a couple of decisions to make when I look at the list that has been written by the wife. These decisions are largely based on our budget and what I want to ensure comes home in the bags. Do I go for ensuring everything on the list is in the trolley at an inferior quality product - Smart Price beans instead of Heinz, or do I go for the standard she wants and sacrifice some of the list. I am not qualified to make this decision! I feel the pressure. Somewhere between the two is the sweet spot - the list of products I can buy that are acceptable and in line with my budget figure. This is the specification. If I choose the right products in line with the budget - she will get everything she wanted from the list (less the wine gums that I ate in the car on the way home).

What do I need this for at this point? You have a list of overarching tasks but your builder is going to be asking you "with what?" You must specify every item you intend on replacing and installing if you are to get a price that means something - a price that's actually based on something tangible. **Specification is SO IMPORTANT.**



# FINANCE

## FOR FIRST-TIME LANDLORDS

### COVID-19 & LANDLORDS

As we find ourselves in unfamiliar and uncertain times, many people ask me what the future holds for the property market and how it will be affected by COVID-19. One client in particular who is looking to take his first steps onto the investment property ladder has been firing question after question, in a bid to get some understanding on whether he is right to continue with his property ambitions, or if this virus has thwarted any chance of him making a success out of property.

Now obviously none of us can claim to be a Mystic Meg with her crystal ball and have the answers on WHAT WILL AND WILL NOT HAPPEN, but I do, however, have my opinions on what may or may not.

#### Is this a good time to invest in property?

Even at the best of times, I don't believe anyone can answer that question; you never know what's around the corner. But if you're asking me if it is a good time to CONSIDER investing in property, whilst we isolate at home and look at our options? Absolutely! If we manage to bounce back from this pandemic, we might as well be well equipped with the ammunition and know how to embark on our property adventures.

#### Will property prices crash as a result of COVID-19?

This is impossible to answer. However, many live in hope (including myself) that any dip in prices will hopefully be short lived and will bounce back due to the demand of buyers. As of writing this, I am fortunate to be able to say that I haven't had a single client back out or re-negotiate a deal. All my clients are showing strong commitment. As long as unemployment doesn't grow too high and the banks don't hike the interest rates up too much, we have a fighting chance of 'bouncing back'.

#### Will I be able to get the funding I need?

Whilst there have been many changes to many banks lending criteria, there are still plenty of mortgage products and options out there for the property investor and in particular first time investors.

#### Will I be affected as a first-time landlord?

No more than any other property buyer, residential or buy-to-let. Even at the best of times there are things to consider as a first-time landlord, before the pandemic, as well as additional considerations with the situation we now find ourselves in.

#### But first let's take a trip back in time, as hard as it may seem, before the pandemic!

Even before Covid-19 there were still many challenges that faced first-time landlords. One of the first and most common is that some high street lenders are reluctant to lend to first time landlords and especially those who also are not owner/occupiers.



Will Norrington Insurance Broker

This can mean that the rate on offer might not be as competitive as the high street banks, but with the BoE (Bank of England) base rate at an all time low, the gaps between high street banks and specialist lenders rates are closing and there are still some great products on offer out there to take advantage of, which will help you take that first step on the property investment ladder. There are many more things to factor in when considering buy-to-let purchases: proof of income, credit history, proof and source of deposit to name a few, but again each lender can differ in terms of their criteria. For example, although most lenders will want proof of income, there are a select few who do not and are happy to consider the application based on the monthly rental value. The same with credit history. Most lenders offering the best deals will want to see good credit history, with no adverse credit. But again, that doesn't mean to say its not possible for you to get a buy-to-let mortgage if you have adverse credit. There are still lenders out there that will 'listen to your story'. These are just a few examples of what to expect from the buy to let market for first-time landlords, and they STILL apply in today's market whilst we battle this pandemic.

#### So how has the pandemic affected the mortgage process?

It's mainly product availability. The pandemic has rendered us in a lockdown. The lockdown has forced

mortgage surveyors and valuers to isolate, thus resulting in many of the banks unable to use physical valuations when assessing the mortgaged property and therefore withdrawing lots of the products. However, thanks to technology and the ability to value properties remotely, lenders are using 'desktop valuations' to keep the wheels of the property-purchasing process moving, which is resulting in lots of lenders reinstating some of their mortgage products once more.

So for some lucky investors it's business as usual as long as their required product range is generally unchanged. But for others that are looking for a certain loan amount and LTV, they may have a waiting game to play.

For anyone looking for answers as to whether they can or should go ahead with a mortgage application, my advice is this: speak to a whole-of-market mortgage adviser who can fully assess your needs and circumstances and help decide if and when the time is right for you to make the first - or next step - on the property-investment ladder.

**As a mortgage is secured against your home or property, it could be repossessed if you do not keep up the mortgage repayments.**





**John Keith**  
INVESTOR & DEAL  
SOURCER

Deal sourcers, deal packagers, property finders... the terms used describe slightly different activities but, in essence, this is a service that offers to take out a lot of the leg-work and wasted time that comes when searching for an investment property.

Of course, if you have the time to go out and view various properties, assess the data required to perform due diligence and the experience to judge whether the property is worth investing in, then you may choose to do the job yourself, maybe.

As someone that finds properties for investors, I combine many years of building trade experience with the ability to negotiate with vendors and agents with a better success rate for negotiating a discount than most potential buyers might manage. A lot of that success stems from knowing how to price up the costs of work that is necessary to turn a residential property into a business asset.

If your strategy to get the magical BMV (below market value) purchase price is to simply say: "I know you want £100,000 but I'm offering £80,000" then there's not a great deal of incentive for the vendor (who has probably been encouraged by an estate agent to market their home above its genuine value) or the agent who is focussed on their commission. However, a professional property finder / deal sourcer will have (or certainly should have) already collected data on previously sold properties of a similar size and type locally, plus the costs of doing any necessary work.

Being able to speak to the vendor and / or estate agents and be confident to say:

"I know you want £100,000, but my client would be buying this to use as a small multi-let. To comply with the legal requirements he will need to have fire doors, smoke alarms, intumescent strips and smoke seals fitted. With a few other bits and pieces, he's going to have to spend over £10,000 just making it compliant, and there have been three similar properties that have sold locally for between £80,000 and £90,000 so the maximum we can offer is £80,000. If you can accept that, we can move quickly. I have a copy of the proofs of ID, residence and source of funds that I can send over, if we can go ahead?"

Negotiating isn't everyone's cup of tea. Nor is arranging to

# HIGHS & LOWS OF DEAL SOURCING



**Paul Waters**  
Deal Sourcer

About 18 months ago sourcing was quite profitable; however, with all the courses selling this as a good money-making way to get into the property business it has become saturated so we don't waste our time with it now. What we found was everyone wants to be on a mailing list, but a high percentage of these are just window shopping with little or no intent of buying, (usually due to not being in a position to finance any deal) and these people are on every mailing list going. So for instance, you could send out a deal to an investor who agrees to take it up and pays a holding fee, then a day or 2 later when he has received more "deals" from other mailing lists with a better return (supposedly) they will go for that - refund request alert...

The thing to remember is 90%+ of sourcing figures are hypothetical because it will take 12 months to get the correct figures. All you can do as a deal sourcer is base it on the figures you can collect from the internet. Not all deal sourcers will look into this information hence their returns will look better than others, so unfortunately these are the deals that sell. It's a difficult to make a profit when you're first starting out.

view five potential properties, travelling two hours in each direction to find that you can't get in to view once you get there because the estate agent was double booked or the vendor forgot you were coming and now isn't answering their phone.

And when you view the three remaining properties, one has obvious Japanese Knotweed in the garden that the agent neglected to mention (or didn't even know about), one has more damp than the Titanic and the only one that is anywhere near to your requirements is just not right.

A deal sourcer can save you a lot of time by sorting the wheat from the chaff but, in the end, the decision will always be made by the buyer themselves.



**Sarah Hunter**  
Deal Sourcer

Deal sourcing is EASY, or at least that's what I was told... 'sell deals to others and make money' but speaking from experience, it's not that easy at all.

Firstly, all sourcers should become compliant before selling a deal, this comes with a cost and is an absolute must if you are going to build a reputable business. Building a rapport with agents in your target area is important, as well as knowing your area inside out.

The next hurdle is finding investors, this is not as simple as sticking a deal on Facebook. Just as investors run due diligence checks on sourcing companies, so sourcers should check out investors. But it's not all doom and gloom - there is a good side to sourcing. The financial benefits can be rewarding, and working closely with investors and to help them achieve their goals can be incredibly gratifying. It is often said that property is a people business and running a sourcing company is certainly that.

Spending time listening to investors, vendors, agents and communicating with tradespeople is the key to success. To know more about investing in the North East, contact Sarah Hunter, 01670 201100.

## LEASE OPTION TIPS & TRICKS

# D2V LEASE OPTIONS

## 1 Unmortgageability

**Unmortgageable properties can be difficult to finance, so make perfect lease options.**

Using short-term options can be a great way to get in, solve the issue, add value, then finance the purchase with a market-value lender, financing 100% or more of the option price.

## 2 For Sale & To Let

**Properties up for sale and to let at the same time can work well as longer-term lease options.**

If someone has a property for sale as well as to let, chances are they don't need the money right away. So long-term lease options could work well here, helping you do more with less resources, therefore making your money go further.

## 3 Tired Landlords

**My absolute favourite. This is how I was able to secure almost 60 lease options in 2019.**

Tired, sophisticated landlords are the bread and butter of any options investor. Helping a landlord avoid unnecessary capital gains with deferred purchases, taking away all of the legal duties, and thus hassle, can be a saving grace for them.



### How do I find these opportunities?

In the next issue, I'll be delving into how I find opportunities like the case study below. I'll also be sharing the techniques I use to help me identify people who fit into the 3 categories opposite and, more importantly, how you can, too.

**Nathan Winch**  
INVESTOR &  
ENTREPRENEUR

It seems like everyone wants to secure lease options these days, but it's usually for all the wrong reasons. Property options are tools generally used across the short term to secure properties otherwise difficult to finance or purchase. They can be a great way to finance properties without the need for a traditional deposit. But be in no doubt, this doesn't mean you don't need any money at all. Quite the opposite.

### CASE STUDY

**Location:** Nottingham

**Source:** Tired landlord

**Reason:** Environmental protection order imminent. Property in disrepair and tenants complained to council. Landlord couldn't afford it.

#### Agreed Terms

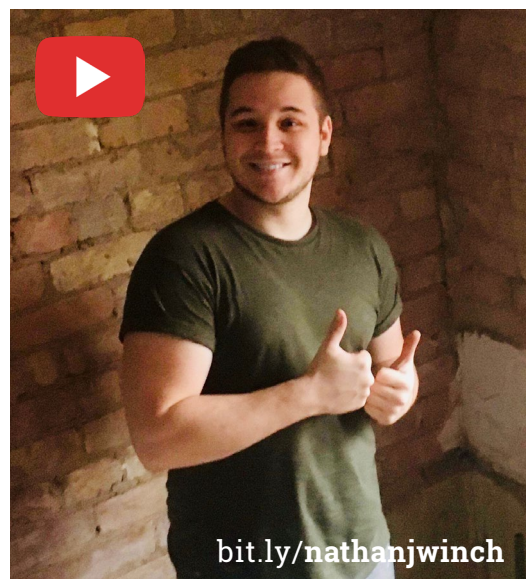
**Option price:** £57,000  
(mortgage redemption amount)

**Corrective works:** £12,000

**New valuation:** £119,000

**Sold price:** £98,000

**Net Profit:** £27,600



[bit.ly/nathanjwinch](https://bit.ly/nathanjwinch)

Watch Nathan on YouTube

**Cathy Waddington**  
PROPERTY DEVELOPER



**A**ugust 27th, 2019 was a momentous day for me. I became the owner of The Old Bakery House, a dilapidated two-storey former bakery in the village of Mersham, in Kent. It had last been in use 30 years ago; there was no water, light or heating. The WC was outside and access to the first floor was via a rickety ladder poked between the joists of the old bathroom. None of this bothered me, it was mine and my property-investing journey had begun.



**LEARN  
LEARN  
IMPLEMENT**

Cathy's determination was growing by this point. She learned from reading and attending property-based events. This was slowly helping her gain more confidence.

I was introduced to many strategies, but by far the biggest eye opener for me was the concept of using bridging finance to either purchase or refurbish a property (or both). By using my own pot of cash as a deposit and bridging finance for the refurb, I could look at much bigger projects, and more importantly, I could look closer to home. This was a complete game chang-

er! At the June meeting last year Kevin had invited David Humphries of Master Property Auctions as the guest speaker for his group's meet up. David and his wife specialise in buying properties at auctions with EPC ratings of F and G. They refurbish and either sell on or let

out. David gave us some great advice about buying at auction (something that had always terrified me), in particular how to read and evaluate the legal packs. I followed up by participating in several excellent webinars with David and felt confident that this was another string I could add to my bow. In the 6 months immediately following the "Recycle Your Cash" course, I had spent a lot of time pursuing two short-lease flats in the Kingston area. For various reasons both of these fell through prior to exchange and I was frustrated and ready for something else. The instantaneous nature of buying at auction really appealed to me, and so it was that I came across The Old Bakery House.



# THE OLD BAKERY

Part 1

**R**ewind to 2015. Newly divorced, I was looking for ways to invest my £100k settlement. It was all I had and I knew I had to make it work for me. I've always been excited by refurbishing and renovating property and I knew that was the route I wanted to go, but where to start? Whilst £100k is not an insignificant amount, in my hometown of Kingston Upon Thames in Surrey it was noth-

ing; I knew I would have to look further afield. It didn't take many hours on Right Move to discover that Liverpool was the only place where my money might allow me to get going. I could buy a large property for £80k, refurb it, get a BTL mortgage and let it out as an HMO. I created spreadsheet after spreadsheet to test my theory and crunch the numbers. It looked good on paper, but Liverpool is a hell of a drive from Surrey and I

was concerned about managing a large project so far away. I have a full-time job running my own interior design business so the refurb was going to have to fit in around that. Nevertheless I am stubborn and I knew I could do it. I probably would have done had I not come across the website of Kevin Wright and his Recycle Your Cash course: – "The property finance strategy that turns your small, shrinking cash piles into mountains!"

**'The Moment'**  
"I had taken out a subscription to EIG and using David's advice, was busy searching for unsold lots. There it was: "Grade II former bakery with potential - £120k".

I had taken out a subscription to EIG and using David's advice, was busy searching for unsold lots. There it was: "Grade II former bakery with potential - £120k". I first spotted it on a Saturday and immediately launched into the due diligence that David had taught us. I ascertained that the property was situated in a desirable village just south of Ashford, in Kent. It was attached to a public house (not great) and there was a Flying Freehold. The brewery, in order to raise some capital, had sectioned off one end of the main

building, which was just used for storage and split the title in order to sell it off as a separate dwelling. There was only one photo of the front on the auction website but I figured that I would be able to see the back from the pub garden. I carefully read the legal pack and hoisted in that I would be responsible for covering various amounts of the seller's costs, not unusual when purchasing at auction. On Sunday I drove down to the Kent village of Mersham and sat in the back garden of the Royal Oak nursing my orange juice.





## ➔ The Old Bakery Continued

# THE PLANS

The landlord came out and asked if I was “one of those auction people”. I admitted I was and he offered to unlock it for me. I have to confess that I wasn't fully prepared for what I saw. Empty for almost 30 years, the pub and the brewery had used the ground floor as free storage for anything and everything. It was full of chairs and tables, garden parasols, deep-fat fryers (with the fat still in), pictures, barrels etc. You can see from the photos that a proper inspection just wasn't possible. What I could see were the old bread ovens, the beams and bits of flagstone floor. I asked the landlord what the small ladder was leaning through a hole in the lath and plaster ceiling. I want this house.

I emailed the auctioneer that evening expressing my interest and received a call from them at 9am on Monday when they opened. After a bit of negotiation, the brewery agreed to my offer of £100k + VAT. I was busy with client meetings that day and so by the time everything was agreed on paper it was 4pm. In order to secure the property, I had to get to Clive Emson offices in Kent before close of play to transfer the 10% deposit. By 6pm I had exchanged contracts on The Old Bakery House.

I estimated that I would need to budget £150k to transform it into the lovely 3-bed cottage that I visualised. I also knew that being Grade II Listed and in a Conservation Area,

everything would have to go through planning and have consent. It wasn't going to be quick. I had four weeks to secure the finance and complete on the purchase so, following a conversation with Kevin, I decided to purchase it entirely with my own funds and then use bridging for the refurb. That way, if it took 6 months to achieve the necessary permissions, I didn't have to shell out finance charges. I dug deep and borrowed the additional 20k from a friend and we completed on Tuesday 27th August. The success of the internal layout relies entirely on the positioning of the new staircase. The bedrooms upstairs had always been used as additional pub bedrooms and so they had been accessed from the stairs in the pub next door. The bakery had only ever been used as ground-floor commercial premises. My designer has done me proud and designed a staircase with the barest of footprints. Its position allows us to retain three double bedrooms and a family bathroom upstairs, and we are adding an en-suite to the large master bedroom. Downstairs there will be the kitchen at the rear, a dining room and a separate living room in the old front shop section. Tim has managed to work in a WC under the new stairs, and we are also utilising an old cupboard as a useful pantry adjoined to the kitchen. The original shopfront must remain the same visually, but I wasn't keen on

using the double doors as the main access. Tim suggested a new front door in the side of the building that replaces a rather oddly proportioned window. We will seal up the existing double doors and repaint everything prior to having The Old Bakery House sign-written above the doors.

Like all County Councils, Ashford is seriously short-staffed. We finally received Planning Permission and Listed Building Consent on 23rd March this year, some 16 weeks after submitting the application. Tim is now busy putting together the Building Regulations and the next step is to get some builders in to quote, and finally start firming up on costs prior to applying for the bridging loan. COVID-19 has somewhat put paid to my dreams of completing and marketing it this year, and I suspect that this is now highly unlikely. We can only guess at what the property market might be doing when all this is over, but I will have a beautiful 3-bedroom period cottage in a desirable Kent village that should sell for approximately £400k.

