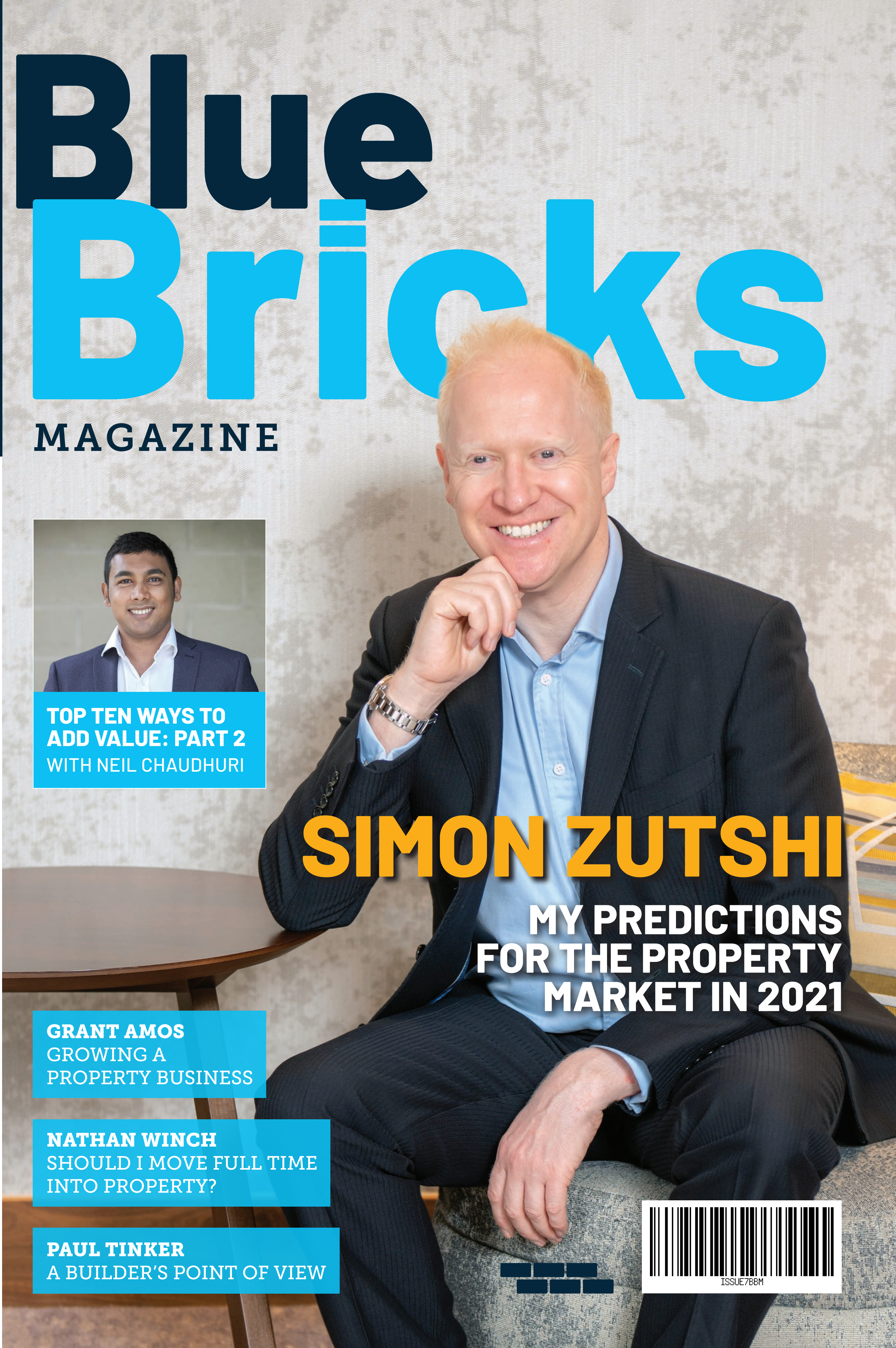
DECEMBER 2020 – ISSUE 7 – PRICE £6.99

Blue Bricks

MAGAZINE

THE PROPERTY INVESTOR MAGAZINE



TOP TEN WAYS TO ADD VALUE: PART 2
WITH NEIL CHAUDHURI

SIMON ZUTSHI

MY PREDICTIONS FOR THE PROPERTY MARKET IN 2021

GRANT AMOS
GROWING A PROPERTY BUSINESS

NATHAN WINCH
SHOULD I MOVE FULL TIME INTO PROPERTY?

PAUL TINKER
A BUILDER'S POINT OF VIEW

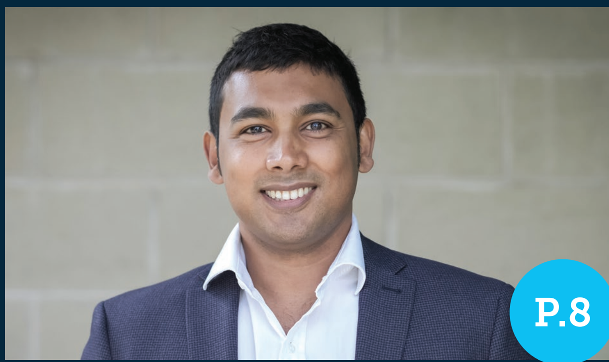
ISSUE7BBM

BLUE BRICKS MAGAZINE

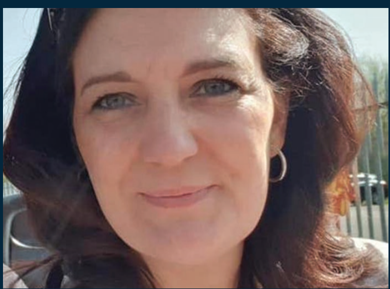
CONTENTS

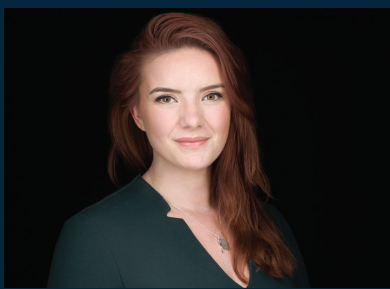
BLUEBRICKSMAGAZINE.COM

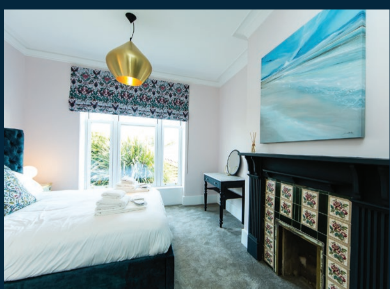
ISSUE 7 | DECEMBER 2020



Monthly Features







HELLO

CAROLINE MONKS
EDITOR

As I write this little note to you I think about you reading it just a couple of weeks before Christmas and you're hopefully looking forward to a relaxing festive period. Unless you're one of those people that leaves the magazine to one side for a few weeks – in which case I hope the detox is going well!

It's been a funny old year, to say the least, and I imagine we have all experienced it differently. Whatever downsides you've faced throughout recent months, I hope there have also been positives to draw on as well. For myself and Nathan, one of the upsides has definitely been the creation of *Blue Bricks Magazine*. This venture was started in the first lockdown back in April and who knows if it would have happened if we hadn't found ourselves in that situation.

For this issue, I am delighted to introduce Simon Zutshi, from the Property Investors Network, as our cover feature. It's a real privilege to have somebody with such a depth of experience in property to contribute to the magazine and give his invaluable advice to our readers. I hope that his predictions and insights on **page 16** help you to form your plans as we move forward into 2021. They certainly have for me personally.

Neil Chaudhuri of Vogue Abode returns to bring us the second part of his two-part series on how to add value to property deals; see **page 8**. As a successful property investor, and award-winning mastermind student of the Property Investors Network, Neil has some great advice to share and he loves to help others wherever he can.

Grant Amos, of HMO Matters, has kindly put pen to paper to tell us how he transitioned from an unfulfilling career into working full time in his own property business whilst also supporting his family. I feel his story is relatable to many time-poor readers and will hopefully give them the inspiration to keep striving towards their goal, even if it takes a little longer than they might like. Find his story on **page 24**.

I was thrilled to be invited by Sarah and Sean McDermott to sample the delights of their newest holiday-let in Robin Hood's Bay, as part of the Maison Parfaite estate – perks of the job, but somebody has to do it! I've written this piece from both a guest's perspective and also from the point of view of anybody considering investing in this type of business who might be thinking about the standard of their accommodation and their target market. Go to **page 28**.

As always our regular contributors are here to deliver their tips and advice in their fields of expertise. I would like to thank them for their dedication and support over the last seven months in launching this magazine and writing some cracking articles for our readers.

Myself and all the *Blue Bricks* team wish you a very happy Christmas and a prosperous new year.

Best wishes,

Caroline

PRENEUR CAPITAL

Secured lending.
But a bit **different.**

Loans from
£50,000 to £10m

credit@preneurcapital.co.uk

MEET THE COLUMNISTS

Kevin Wright Finance

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

Neil Chaudhuri Investments

Neil trained with Simon Zutshi on the Mastermind programme and finished as one of the top performers, becoming a finalist in the HMO Investor of The Year category. Neil and his wife, Simona, co-own Vogue Abode specialising in luxury student accommodation. He also enjoys coaching other property investors.

Got bored of beating Tiger Woods so turned his hand to property

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.

Saint by name, cheeky little devil by nature

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

Paul Tinker Construction

Paul is a property entrepreneur delivering construction services to property investors. Specialist in refurbishments and conversions. He owns a safety consultancy run by a dedicated, fully qualified team. He also owns a deal-sourcing business and a construction development company.

Likes dressing up as a clown and scaring Lisa

Ben Quaintrell Lettings

Ben has been a letting agent for 15 years, eight 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

Jill Stevenson Public relations

Jill is an experienced public relations consultant with a demonstrated history of working in the PR and communications industry. Skilled in editing, journalism, media relations and crisis and corporate communications. Media and communication professional with a certificate in Marketing (CIM).

Loves doing interior design for dolls' houses

Alice Williams Finance

Alice specialises in sourcing finance for property developers and investors. After starting in corporate banking, Alice joined Pilot Fish in 2017 and swiftly took the helm of the property finance team after demonstrating her skill and tenacity on the successful completion of multiple complex funding projects.

Uses marketing as an excuse to wear multiple fancy dress costumes

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.

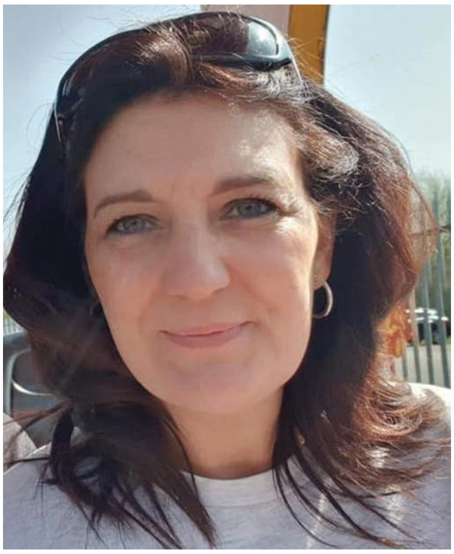
Able to talk for England

Nathan Winch Business

Nathan is an entrepreneur and private equity investor of over 12 years. He's started, grown and sold companies in the medical sector. With a passion for property, he owns a portfolio across the UK, but is now an FCA registered private lender and investor, with investments in over 14 businesses.

Loves nice holidays, but never actually goes on any

WHY I LOVE FACEBOOK ADS: PART ONE



JOANNE SAINT

I've worked in marketing for over 20 years and there has never been a better opportunity to identify, target and reach your ideal audience, at the lowest possible cost, than Facebook Ads.

In the olden days when options were limited and mainly mass media, you were sold advertising space based on reach (ie: the number of people who would potentially be exposed to your ad) and classics such as leaflet drops, press and radio could reach tens of thousands of people. But your targeting was pretty limited. You could choose a radio station based on their broad demographic of listeners, or a newspaper based on the area it covered, and with direct mail you could perhaps buy a slightly more targeted list but you never *really* knew if the people receiving your mail were interested in buying your product/service right now – you were just left hoping that the law of averages would land in your favour.

The point is you may well reach thousands of people, but you have no idea how many of those people want or need your product or service, let alone at that precise time, and the opportunity to build a funnel to guide them from cold through to purchase was non-existent. For a product with a specific audience, this represents a huge waste of budget.

Around 15 years ago, I remember my peers beginning to talk about one-to-one marketing, ie: the idea that you had a very specific message you could direct to a highly targeted audience, essentially promoting your business to individuals, rather than anyone who might happen to see it. I often wondered how that would ever work. Well, here we are!

We have swung in completely the opposite direction, with targeting so specific you can identify the exact individuals who are not only your ideal audience, but are actively showing an interest in the types of product or service you offer at this exact time.

Mass media still has its place and for brand building it is hard to beat. There's nothing like TV and radio to convey tone and emotion. However, for many businesses, the targeting offered by something like Facebook Advertising provides the most cost-effective way to reach the people most likely to convert *and* allows you to build the exact relationship that takes them from knowing nothing about you to buying your product or service. For an activity like direct-to-vendor leads, it really can deliver excellent results.

I've debated long and hard with people who believe the level of "Big Brother" is too invasive and that all tracking and data gathering is wrong. They're appalled that they were searching for a new laptop and are then bombarded with advertising offering the exact product they need. I'm not here to confirm whether or not Alexa is listening to your conversations and selling your data to the Russians. My stance is I have nothing to hide and the law is there to protect me and my data.

But from a marketing perspective – yes, I believe the ability to understand the lifestyle and purchasing habits of an audience is a good thing, for both the seller and the buyer. For example, I couldn't care less about fishing, how to contour my face to look like a Kardashian (I don't even know which one is which) or how to raise ferrets. Therefore, any business who has products and services to sell in these areas would be wasting their time and budget getting their message in front of me. Moreover, I'd be annoyed at my media consumption being interrupted by advertising that has no relevance to me or my life.

The thing to remember about Facebook is: IT KNOWS. It knows who watches a video, who clicks on "Learn More", who clicks "Buy Now", who shares and who just likes or comments. It knows which websites you've visited and which search terms you used. It knows how long you tend to watch videos for and whether you have the sound on. It knows if you just got engaged, had a baby, got divorced, changed your job or just got a puppy. Indeed, I warn people that if they start seeing ads for less-than-savoury items, it's because they were looking for them.

So, the number one reason to love Facebook Ads is, without doubt, targeting. You can target people on specific locations, whether they've looked at Rightmove or if they've shown an interest in mortgages.

Then there's tracking and reporting. With the Facebook pixel you can track the action that your audience takes: how long they watched your video, whether they clicked through to your form, whether they submitted the form, if they visited your website. This means you can test and test and test again. Tweaking each part of your campaign, watching the results that unfold and making informed, up-to-the-minute decisions on what's working best.

Another bonus is budgeting: you decide how much to spend. You decide when to spend more, less or to stop altogether. Of course, the more money you invest, the more results you'll get. But tie this into tracking and spend a little at a time until you've completely optimised and *then* dial up the money. This test-and-grow approach allows you to find the exact tipping point – when you cross the line into a place of diminishing return and can therefore identify the perfect investment level.

This is brilliant for forecasting and pipeline management. You should know how many direct-to-vendor leads you need to get a deal, so then you just need to know how much you need to spend to get that number of leads.

Finally, for me it's the ability to funnel. Layering campaigns to reach a large, cold audience, then seeing who reacts to serve them a different ad that guides them along the journey to becoming your next lead.

That's why I love Facebook Ads and in next month's issue, I'll cover the mechanics of how to create an ad.

sinfullygoodmarketing.com
jo@sinfullygoodmarketing.com

TOOLBOX TALK

HEALTH-AND-SAFETY BASICS FOR YOUR BUSINESS

When you start a business – whether it's in property, construction, an estate agency or anything else in between – there are a few basics to square away in terms of health and safety. Don't get roped into believing that old fairy tale that health and safety does not apply to you because your business is too small. Get cracking and nail out these health-and-safety basics in your business to start out on the right path.

Insurance

Insurance is there in case an employee is injured or becomes ill as a result of the work they do for you so they can claim compensation. If you have employees, you will probably need employers' liability insurance. However, it's worth noting that you may not need it if you're just employing a family member or someone who is based abroad. If you have employees, talk to an insurance broker to make sure you have the correct cover in place. If you don't, you can be fined £2,500 every day you are not properly insured...*Ouch!*

Appoint a competent person

A competent person is someone with the skills, knowledge and experience to recognise hazards and mitigate the risks by putting in appropriate control measures to protect your workers. This is the person who is going to help you manage health and safety in your organisation. You might choose to appoint yourself, an employee or an external consultant.

Health-and-safety policy

All businesses must have a policy for managing health and safety. A health-and-safety policy will set out how you will manage health and safety in your organisation – it will advise who does what, when and how. If you have five or more employees then you must have a documented health-and-safety policy (in other words it must be written down). You are not obligated to document your health-and-safety policy for fewer than five employees, but you might find it useful to do so. Either way, ensure you communicate it. I definitely think that an average plan communicated well will deliver better results than a great plan kept secret.

Risk assessments

Risk assessments, like the health-and-safety policy, will need to be documented if you have five or more employees. I always recommend that risk assessments are documented as this is a useful document to refer back to, assisting you in communicating and reviewing your risk assessments. Under the Management of Health and Safety Work Regulations 1999, the minimum you must do is: identify what could cause injury or illness in your business (more commonly known as hazards), decide how likely it is that someone could be harmed and how seriously (referred to as the risk) and take action to eliminate the hazard, or – if this is not possible – to control the risk.

Communicate

This is about consulting with your workers – and not just about what you had for tea or what happened on *I'm a Celebrity*. This is a two-way process that allows employees to raise concerns and have an active involvement in managing health and safety. Remember: your employees are the boots on the ground, so they more often than not best understand the risks in the workplace.

Training

The people you employ need to know how to carry out their jobs safely. You must make sure that your employees are adequately trained with sufficient skills, knowledge and experience to carry out their tasks. Clear instructions and information needs to be provided with consideration given to employees that may have particular training needs such as new starters. Create a clear plan of training requirements and ensure that necessary information is readily available and provided to all personnel that need it.

First aid

If one of your employees has an accident, then you will need to be prepared. Employers must ensure employees get help if taken ill or become injured at work. The law applies to *every* workplace and to the self-employed. You must have: a suitably stocked first-aid kit, an appointed person or people to take charge of first-aid arrangements and information for all employees telling them about first-aid arrangements.

Report accident and illness

There are certain workplace injuries, near-misses and work-related disease that need to be reported to the Health and Safety Executive (HSE). This duty is under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR). If you have more than ten employees, you must keep an accident book under social security law. Keeping records of incidents helps you to identify patterns of accidents and injuries so you can better assess and manage risk in your workplace – these records can also be particularly helpful when dealing with your insurance company. Remember that these records contain people's personal details so ensure that you store your records confidentially and correctly.

If your business has these health-and-safety basics in place already then you're off to a great start but, if you need further information or guidance on how to put these safety wheels in motion for your business, then get in touch.

ptlsheq.co.uk
lisa.tinker@ptlsheq.co.uk

SHOULD I MOVE FULL TIME INTO PROPERTY?

When is it appropriate to move full time into property development? Should I focus less on my main business or quit my day job?

NATHAN WINCH – **BUSINESS**

People ask me these questions all the time, and my answer is always the same. Whether you are a business owner, which I know many of you are, or whether you are in a full-time career as an employee – it is always important to strike a balance between the security afforded by this and your passion to be a property investor. To be honest, thoughts of "jumping ship" shouldn't really enter your mind.

Full-time job

Let's start with full-time employees. Do you like what you do? This should always be a key factor, but probably becomes less relevant as you progress in your property career. For example, a well-paid job that you don't like becomes more tolerable when you start to consider it as a "cash cow" to help fund your property ambitions. However, it might be that you work six-days a week at this job – leaving Sundays as the only day you can do anything productive, and that's if you have no family life! My answer would be to work around it. Use annual leave, stretch yourself on those Sundays and even work remotely, get a key safe installed so builders and tradesmen can let themselves in. Other than viewings, if you're savvy, most of what needs to be done can be achieved from a computer anywhere, you just have to approach it as a business. Don't start painting and ripping up skirting boards (unless you find that fun); act like a project manager, not a handyman. That's so important to keep control of your life.

Next, and possibly the most important reason not to quit your day job, is attractiveness to lenders. The vast majority of lenders will want to see that you have non-investment income, ie: income from a job or trading business. The reason a lender likes to see this is because their stress tests want to see if you can afford to have empty properties. Remember: they still expect their mortgage or finance payments whether your properties are let or not. Many lenders won't accept rental income in their calculations and, of those that do, unless you have bags of experience and a good number of projects that you can demonstrate were successful,

Nathan Winch – Private Investor

the rates that you pay and the deposits they will expect will be jacked right up. Just stay in work as long as you can. My advice would be to stay in the job until your net investment income is at least 1.5–2 times your GROSS salary. Always get advice on lending from your broker.

Business owner

Now, this is where it gets exciting and, quite frankly, magical. If you own a successful business you have so many options when it comes to investing into property projects and ventures. And when I say successful, I define this as turnover of £200,000 or more, although, many of these same principles will apply to smaller businesses provided they are particularly profitable. Having a good, solid business always makes property investment easier.

I tell people property investment should always be backed up by a solid non-investment source of income. You will not be able to grow your property portfolio quicker any other way. Fact.

In a previous article I showed you how you can structure a business so that your trading business and property business can feed each other and supercharge the growth of each in a short space of time. Now I'm going to show you some of the ways you can do this, some of which you might not have thought of or you didn't know were possible.

One advantage any business has is the ability to leverage. You can borrow against your business' assets and sometimes even its cash flow. Having a strong business that spins off cash that you can use is always a bonus. It's even better if that business is property-related, but it doesn't have to be – many of the most profitable, cash-generative businesses have nothing to do with property, so don't worry if not.

Let's say you've spotted a commercial property for sale for £100,000 that you think you can convert to residential with £30,000 and the end GDV (gross development value) will be around £250,000. If you're not one of these purchase-option type people (or even if you are), with the right business you could get an unsecured commercial loan of £130,000 – yes, that's right, fund the entire deal. The result? You are left with an unencumbered (no mortgage) property worth £250,000 with your business' cash flow servicing the £130,000 of unsecured debt.

Obviously we all know there's a few more moving parts to something like this and nothing is this simple in reality, but in principle this sort of thing is absolutely possible – I know because I've done it myself. And even if your business isn't eligible for such a large loan, get a smaller loan and put either your own money towards it or choose a smaller project. Alternatively, if you have hard assets in the business, you could borrow against those too. Always get financial advice from a professional or broker who can help tailor finance to your personal circumstances and situation.

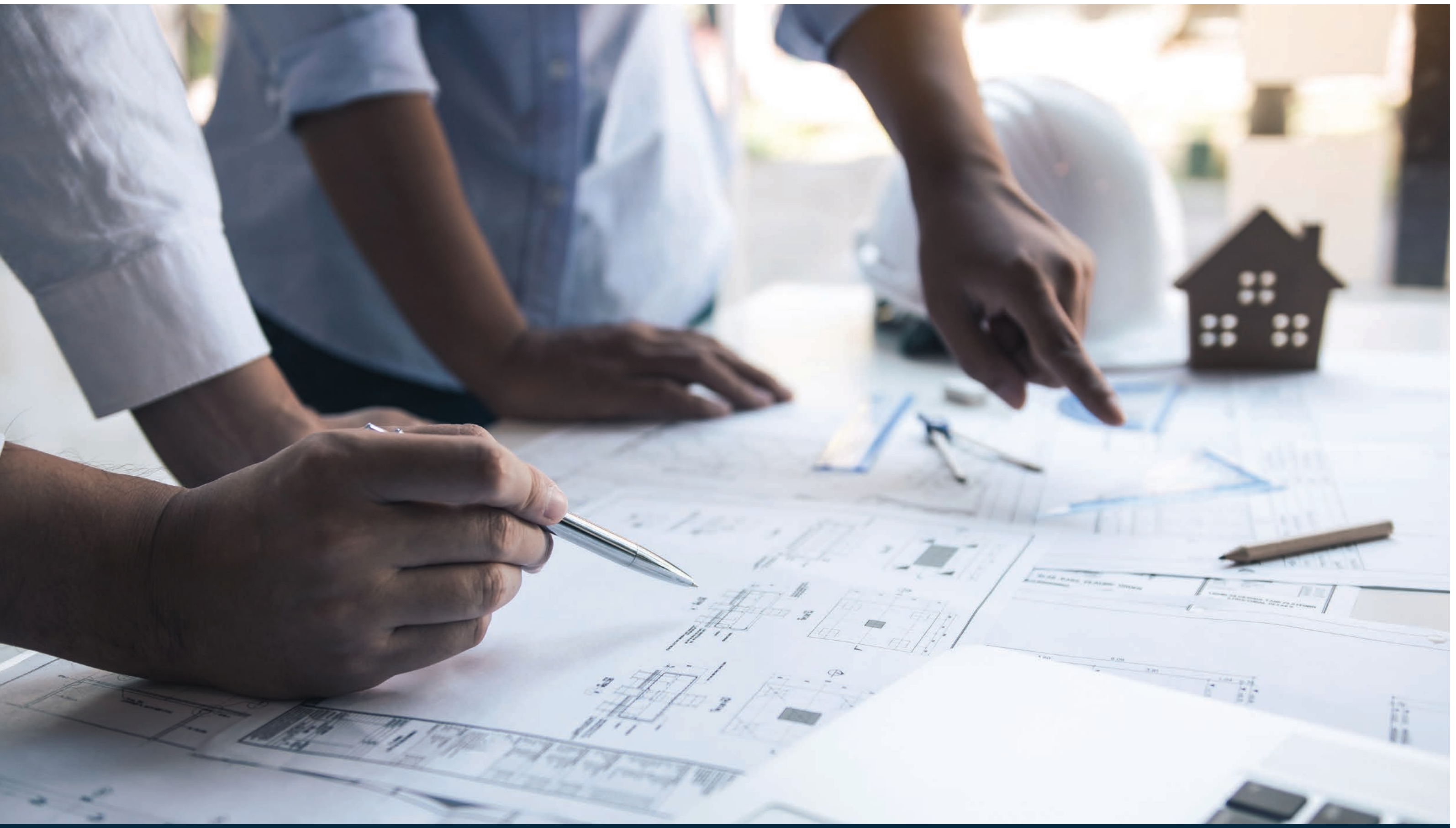
Another benefit is that once your property business grows in size and equity, you can use it to leverage against to release cash to grow your business, and vice versa.

The morale of this article is, don't be in a hurry to quit your day job – focus on growing your business and the property will follow.

Get in touch if you need any help or advice and good luck in your property career.

winchandco.com

bluebricksmagazine.com



TOP TEN WAYS TO ADD VALUE: PART TWO

WE'RE DELIGHTED TO WELCOME BACK NEIL CHAUDHURI, CO-FOUNDER OF SPECIALIST LUXURY STUDENT ACCOMMODATION COMPANY VOGUE ABODE PROPERTIES, FOR PART TWO OF THIS FEATURE. THIS MONTH NEIL DETAILS ANOTHER FIVE WAYS YOU CAN ADD VALUE TO YOUR PROPERTY DEALS

In part one, we looked at five ways to add value by physically improving or repurposing properties. However, those of us who have been following the news over the past few months will have seen government attempts to overhaul the planning process. These measures have no doubt generated some exciting headlines and the potential for new opportunities, due to the possible relaxation of permitted development rights, but some of the proposals have arguably been controversial and are now being further scrutinised. So, while some of these changes to planning play out, Neil explains five ways you can add value *without* making any physical improvements.

6. Planning gains for building works

A planning gain is a term that refers to an uplift in the value of property or land generated by the granting of planning permission. In this case we're talking specifically about planning permission being approved for building works – such as extending the property – and how it can be a great way to add value. For exceptionally large single-storey extensions, double extensions, wraparounds and other more aggressive forms of development, full planning is usually required. This can be a slow and expensive process, but it can also add substantial value to your projects because you will have the opportunity to create something unique rather than simply following in the footsteps of other investors or residents on the same road. It's also a great way to add significant floor space to your properties, which will further add value as we covered last month.

The great thing with a planning gain is that the intrinsic value of the property or land increases once planning is granted even before works have even taken place.

It's worth noting that some planning gains are less aggressive and controversial and the outcomes therefore can be relatively predictable.

Prior approval

There are some relaxed rules on planning and extending properties beyond the basic permitted development (PD) rights, such as prior approval. Prior approval is a great scheme for homeowners and investors wishing to carry out large, single-storey extensions to their properties. For detached properties, prior approval is required for single-storey extensions between four and eight metres; on other types of properties it's required between three and six metres.

The mechanics of obtaining prior approval are remarkably simple. You can apply to your local authority online, who will then notify any adjoining neighbours to advise them of your proposals. Assuming that none of the neighbours objects within the stated time frame (usually 42 days), then prior approval is automatically granted. If your neighbours do raise any concerns or objections, your local authority will then assess the proposal to establish the impact on adjoining properties and will make the decision themselves.

Whilst prior approval is still a form of PD, we class this as a planning gain. This is because your property benefits from the right to extend beyond its basic permitted development rights and as such increases its intrinsic value. Other properties on the road would not have this benefit unless they go through the same process, thus making your property unique in the eyes of a valuer. It goes without saying that you need to have experienced architects or planning consultants on board to guide you through this process as the goal posts are forever changing.

Alterations in conservation areas

Within our own properties, we love doing loft conversions; in fact, all our HMOs (houses in multiple occupation) have the lofts converted. Whilst most loft conversions can be done under permitted development including rear dormers, in conservation areas you may need to go through full planning as there are tighter restrictions in place. This was the case with one of our recent projects – we wanted to add skylights to the rear of the property as part of the loft conversion and full planning was needed because the property was in a conservation area. Owing to the high workloads of local planning case officers, this can be a slow process – we recommend that you get the site surveyed by architects and, if required, submit full planning as soon as possible to avoid lengthy delays.

Other alterations which may require planning permission in conservation areas can include any physical changes to the character of the property such as the type of windows, doors, brickwork and even the pointing.

7. Planning gains for change of use

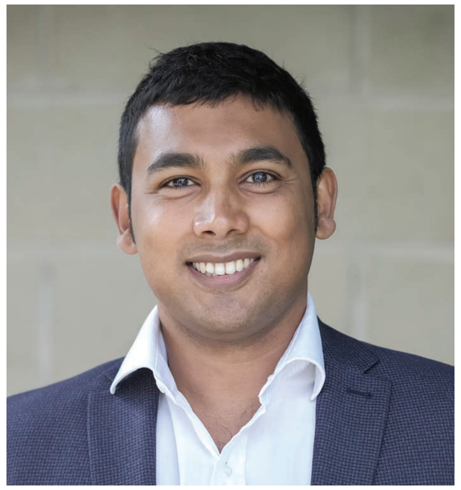
This is a different type of planning gain to the building works gain, but the two can often be combined. Unlike a change of use under permitted development, this gain requires full planning. Yes, it's slower, more expensive and not necessarily guaranteed, but the benefits can be huge. In terms of planning gains for change of use to HMOs (my favourite model!), examples include:

- Change of use from C3 (a single household) to C4 (housing where between three and six occupants form more than one household, reside and share amenities) in Article 4 areas (an area designated by the local council as requiring planning permission for use as HMO).
- Change of use from C3 to sui generis (a large HMO with over seven occupiers).
- Change of use from C4 to sui generis.

Sometimes the property may already be being used as a HMO lawfully in an Article 4 area, but you wish or perhaps need to obtain a certificate of lawfulness to prove that this is the case. In the case study below, you can see how we successfully acquired the necessary certificate for an empty property we wanted to use as a six-bed HMO.

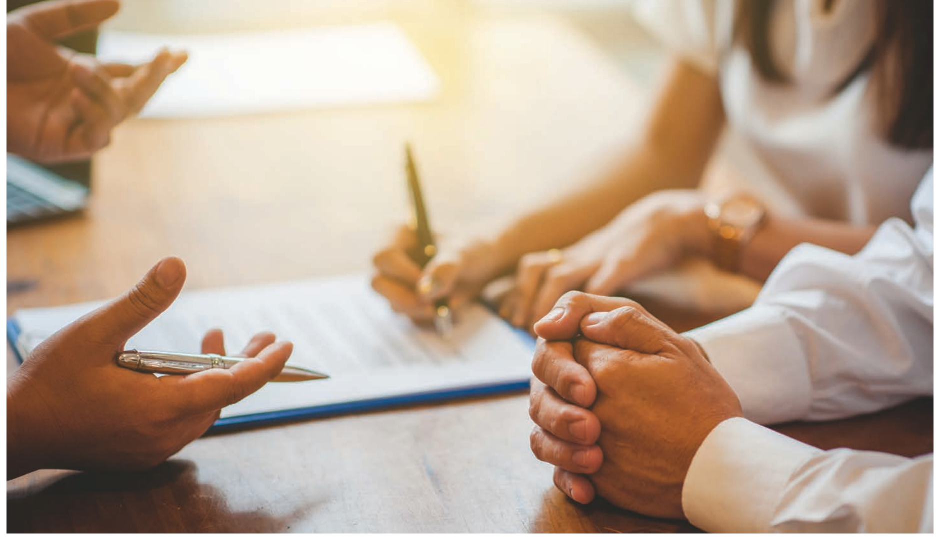
Certificate of lawfulness case study

Like many cities, my own investment area of Leicester is a very competitive market and so on the rare occasion a HMO becomes available in an Article 4 area, they tend to get snapped up at premium prices. Many of our properties are just outside the Article 4 areas where it's easier to find below market value C3 properties (single-household dwellings) and convert to HMOs ourselves. This was our first purchase inside an Article 4 area.



Neil Chaudhuri
of Vogue Abode Properties

We found this particular property on Rightmove. Interestingly, it wasn't really being advertised as a HMO or an investment property, but we noticed from the photos online that one of the bedrooms (the only room not to have been cleared of all furniture) still had an old office desk and bed there. Office desks in bedrooms are usually an indicator of a student house, so we decided to book a viewing and find out more.



During the viewing, we were informed that the property needed to go through probate. It also emerged that the property had indeed been rented out as a student house for numerous years, but had failed to let for that academic year and as such had been lying empty for a few months. It was extremely rundown, tired and trashed in places – our favourite type of house to refurbish! But first we needed to get planning approved for use as C4.

The local planning authority operates a very strict policy of not allowing change of use from C3 to C4 inside any of the designated Article 4 areas including this one, so we decided to go down the route of obtaining a certificate of lawfulness as C4 – it had previously been used as a student house for many years anyway.

We agreed a conditional contract with the family – one that enabled us to exchange contracts on the property, but not obligate us to complete on the purchase until the correct planning-use class had been established. The price we offered was more than the family were likely to achieve selling on the open market as a rundown C3 property. But if we could get C4-use class confirmed, it would be a great deal for us and a bargain for a C4 property – a true win-win for both parties.

Going through probate took a couple of months, but obtaining the certificate of lawfulness took longer. After some back and forth with the planners, the certificate of lawfulness was finally given with the planning use of the property confirmed as C4.

The keys to obtaining the certificate of lawfulness were:

1. Signed affidavit from owners confirming previous use of the property as a HMO.
2. Signed tenancy agreements predating the introduction of Article 4, onwards showing continuous occupation of the property as a HMO.
3. Bank statements showing rental incomes coming in matching the tenancy agreements.
4. Council tax records confirming the number of occupants and student exemptions.
5. Online marketing history such as adverts from Rightmove, SpareRoom, Zoopla, etc showing the property/rooms advertised as a HMO.

The property was bought for £200,000 and we then spent approximately £47,000 refurbishing and transforming the property into a luxury, six-bed, student HMO before it was revalued at £320,000 – all in the space of under four months. A group of students were secured during the works and moved in as soon as the refurbishment was complete.

Example of combining planning gains for building works with planning gains for change of use

Recently, we successfully had planning approved for change of use for a building that had been offices on the ground floor (Class B1) and two flats (Class C3). We wanted to convert this space into 11 student studios with communal areas plus a single-storey side extension and a dormer at rear. This was a slow process and took the best part of a year – it ended up being referred to the planning committee, but after successfully representing the scheme myself at the committee, we were delighted to have planning approved. The planning approval alone has added huge value to this site.

8. Remove, improve or lengthen a lease

This can be a powerful paper exercise and one which we have been able to employ successfully a couple of times. On one project we were able to help a vendor get out of a poor rent-to-rent agreement she was tied into. We acted as a mediator between the vendor, selling agent and the rent-to-renters. The property was offered for sale at a low price because the vendor was tied into a very low yielding rent-to-rent agreement, which the buyer would inherit. As such, the property remained on the market for months on end. We were able to negotiate the surrender of the rent-to-rent contract and purchase the property with vacant possession and no lease. This was a suitable outcome for all parties involved, but enabled us to get a good equity gain on day one.

On another project, we made this sort of arrangement work for us on a commercial lease that was coming towards its renewal. The original lease was inside The 1954 Act which tends to favour the tenant over the landlord. As such, the value of the commercial premises can often be reduced if the lease sits inside this act. We negotiated with the tenant a more flexible lease that sat outside the act, which worked well for both parties and helped to return back the true value of the commercial premises.

There are other ways to improve the lease such as increasing the years remaining on a leasehold property. We generally don't buy leasehold properties and so this is not something we've had first-hand experience of, but there is a skill to this and also some important restrictions regarding when you're allowed to lengthen a lease as a buyer.

Also, sometimes there are some restrictive covenants on title deeds preventing you from using the property as anything other than a single dwelling. This is something which can be overcome by negotiating it with the freeholder – often the council. Your conveyancing solicitors should pick this up if any such covenants exist. This can be a good way of freeing up the potential value of a property that had previously been suppressed.

9. Purchase lease options and exchange delayed completions

Purchase lease options (PLOs) and exchange delayed completions (EDCs) can be exceptionally powerful tools.

A purchase lease option, also known as a "managed option purchase" is essentially a rent-to-rent with the option to purchase the property in the future at an already agreed price. It gives you the right – but not the obligation – to buy. The benefit of this is that you don't necessarily have to make any improvements, alterations or change the use of a property, but can still benefit from its capital appreciation even before owning it.

There are essentially three parts to a contract when formalising a purchase lease option. The first part is the option agreement itself in which the strike price (the set price agreed to purchase the property if you exercise the option down the line) is agreed. This formulates the agreed price and timescale in which you can exercise the option. The second part is management agreement, which may also be in the way of a commercial lease (if the property is unencumbered). The third part of the contract which is required is a Limited Power of Attorney, giving authority for you to act on behalf of the seller.

Exchange delayed completions are slightly different. In this instance, you would actually exchange contracts early on, but not have to complete the purchase until an agreed date in the future. You can utilise this time to do things like achieving a planning gain, obtaining vacant possession or even exchanging keys and starting to make improvements to the property. The advantage of an EDC is that you can gain equity and add value to the property before completion of the purchase.

You can also do what is called a conditional exchange/conditional contract. This is a form of EDC, where you would exchange contracts, but not be obliged to complete the purchase until certain conditions have been met. An example of this might be exchanging subject to the owner obtaining a certificate of lawfulness. Conveyancers who specialise in commercial property are experts at these types of contract and know exactly how to word them. They are able to draft what's known as "contract riders".

For both PLOs and EDCs, it's essential that it's in the genuine interests of both parties and mutually beneficial.

10. Commercial valuations

Last but not least is one of my favourite methods for adding value to HMOs – commercial valuations. However, before I continue, I must stress how important it is to have a mortgage broker who specialises in HMO finance and, in particular, works with commercial lenders. Most mortgage brokers are excellent in their own fields of expertise, but this is usually residential mortgages for home-owners. Some brokers, however, tend to specialise in commercial finance – which is a different ball game altogether.

Commercial valuations are yield-based valuations where not only the bricks-and-mortar value is considered, but also other factors such as the anticipated rent, anticipated running costs and the comparable yield for the area.

It's important to note that commercial valuations are generally only available with commercial lenders – most HMO lenders will only ever really give bricks-and-mortar valuations that are partly based on the property's gross internal area (GIA) and the average price per square metre in the area. However, some commercial lenders will give yield-based commercial valuations and these can be higher than the bricks-and-mortar value in many instances.

As a rule of thumb, if your HMO has the correct planning consent for use in an Article 4 area or it's a large HMO with over seven occupiers (sui generis) you are more likely to get a commercial valuation with a commercial lender.

We've had some great experiences in using commercial valuations and we attribute at least some of this success down to our detailed valuer packs, which help to showcase the uplift. I would always recommend spending the time to put a valuer pack together ahead of a valuation and if possible emailing it out to the valuer ahead of the valuation itself. I teach my coaching clients how to structure these packs; here are some of the key points to include:

1. Prove the rental demand – describe the location and names of local employers, universities, etc.
2. Describe the improvements – focus on the high-ticket improvements.
3. Include before and after floor plans.
4. Include a detailed schedule of works – the more detail the better.
5. Before and after photos – showing as much disparity between the before and after.
6. Include accurate data showing recent examples of the sold prices of comparable properties in the nearby area.

If you would like to hear more about this topic, then check out my podcasts where I talk at length about valuer packs:

vogueabode.co.uk/in-the-press
neil@vogueabode.co.uk

Neil's property journey began in 2018. He trained with Simon Zutshi on the prestigious Mastermind programme and finished as one of the top performers. He has since gone on to be a finalist at The Property Investors Awards in the HMO Investor of The Year Category. He contributes to articles and makes guest appearances on property podcasts where he shares his knowledge on the student market and how to add value to deals. Neil also coaches other property investors and teaches clients how to prepare valuer packs ahead of valuations.

Neil and wife Simona own Vogue Abode Properties, and specialise in creating luxury student accommodation in Leicester. Their goal is to push the boundaries of space, style and comfort and to raise the standard of student accommodation.

bluebricksmagazine.com

THE MARKET PULSE

Stay ahead with us

Keeping a finger on the pulse of the property market

PROPERTY MARKET UPDATE

JILL STEVENSON

Stopped in its tracks once again, England went into lockdown 2.0 last month. But you wouldn't have realised had you just landed and caught a glimpse of the property market.

It was – and is – still open for (plenty of) business, with estate agents and potential buyers able to physically visit properties (having first viewed them online). And it is just as well the market is still up and running considering the huge rush to get thousands of property transactions settled before the Stamp Duty Holiday is terminated at the end of March 2021. Estate agents, surveyors and conveyancers are all currently complaining about a huge backlog of transactions.

The latest data from HM Revenue and Customs (HMRC) shows that 98,010 property sales have already gone through in September alone. That's 21% up on August's figures and down just 0.7% on last year (before Covid-19 or any mention of lockdowns).

Properties selling in 50 days, say Rightmove

Experience from the first UK-wide lockdown showed the closing of the property market merely built up demand so that, when restrictions were lifted, the buying and selling of property went into overdrive. And, seven months on, buyer demand is still strong – Rightmove recently reported most properties on their portal as selling within 50 days.

BOE mortgage approvals highest for 13 years

House prices are still up. Land Registry's figures for August showed the average property was priced at £239,196 – that's a 2.2% increase on August 2019. The Bank of England added to the glad tidings by announcing that mortgage approvals last month were the highest in 13 years.

Chancellor Rishi Sunak's Stamp Duty Holiday for property worth up to £500,000 in England and half that figure in Scotland and Wales helped, of course. So too did Covid-19 itself, with those who had never considered moving now looking for a rural retreat, garden and additional room to use as work-from-home office space.

Property portal Zoopla reports that 31% of properties sold during the months of June, July and August were in rural areas, compared with just 18% in urban locations.

House prices may remain steady until March/April 2021

The buying overdrive will peter out at some point, and at which time house prices will almost certainly take a dip. But this isn't expected to happen, at least markedly, until next year. Many in the industry believe the end of the Stamp Duty Holiday will bring about a change in the market. But who knows if the holiday will end in March – the chancellor has received a pleading letter signed by well-known trade bodies in the property industry asking him to extend the Stamp Duty bonanza by a further six months.

He has already extended the furlough scheme again, after all, with this latest extension due to come to an end around the same time as the Stamp Duty Holiday. It's expected the former will result in job losses. However, the prospect of a nationwide vaccination programme may make the unemployment statistics far less severe than previously predicted.

And then there's Brexit...

There is, of course, another major event for the UK which could potentially derail the property market. And that is the possibility of a no-deal Brexit – something else that is predicted to have a negative effect on the economy and result in job losses. As a result, it could slow down transactions in the property market and therefore reduce house prices.

Then again, the property market hasn't just survived, but flourished as a result of the pandemic (at least in the short term). And, could it be that with the intervention of the new pro-European US president we may just get a longed-for Brexit deal, after all?

WHY FLATS ARE OUT OF FAVOUR

JILL STEVENSON

No-one can deny the UK property market has been riding high in recent months. Since the first lockdown was lifted in May, surveyors, estate agents and conveyancers have been kept busy and there is now a huge backlog of transactions following the high demand to sell and buy.

Indeed, in October Halifax recorded a record average high in the price of property over the past year – year-on-year growth of 7.5%. However, break the figures down further and you will find houses – regardless of whether they are detached or semi-detached – faring far better than flats.

Houses twice as likely to sell

Analysis by property research company PropCast shows only 27% of flats listed are selling, compared with 44% of houses countrywide. Furthermore, flats in London are taking up to 70 days to sell compared to just 29 days for houses, according to upmarket estate agents Hamptons International. This is the first time in eight years that flats in the capital have been overtaken by houses when it comes to buyer demand. So, what's causing the rush to ditch flats?

No prizes for guessing the biggest reason, say property analysts – it's the desire for outdoor space as a result of the pandemic and the possibility of future lockdowns. Houses tend to have gardens, flats don't (even if some of them do have a roof terrace or balcony). And, if they can't get a house with a garden, then many inner-city residents at least want somewhere less polluted by people as well as somewhere they can be closer to nature. You're talking about the suburbs and villages here – neither of which are known for their high concentrations of flats.

Working from home has also increased the desire for additional space, such as a third bedroom or loft space, which can easily be converted into a home office.

First-time buyer numbers down

Another reason for the declining popularity of flats is the reduced number of first-time buyers. Flats – especially studio and one-bedroom properties – are more popular with this first rung of the property ladder because they tend to be less expensive than houses to buy. In addition, since they are younger and typically single, these buyers don't mind being in the heart of a city where all the pubs, restaurants and entertainment venues are.

There are fewer first-time buyers because there simply aren't that many higher loan-to-value mortgages to go around. That means first-time buyers need more money for a deposit and, as we've learned over recent months, it's the younger age group that has been hardest hit by the lockdown, with many tending to be employed in hospitality, retail and tourism. Data from the Office of National Statistics shows there are now 156,000 more unemployed 16-to 24-year-olds (referred to as Generation Z) since May.

Lockdown hits luxury apartment market

But it's not just in the first-time buyer market that flats are faring poorly. Luxury apartments in the likes of inner-city London and quayside Manchester, Liverpool and Glasgow are also plunging in value in a bid to attract buyers. In London, the popularity of plush apartments has fallen by 1.8%. That's because wealthier buyers are also opting for housing and green space in preference to high-rise living.

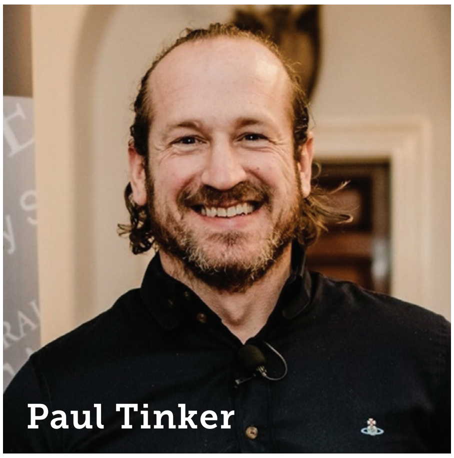
Even if we get that promised vaccine (or two) for Covid-19, will the popularity of flats ever recover? Not according to BuiltPlace analyst Neal Hudson, who predicts the end of the 'property ladder' thanks to the increase in value of houses compared to flats.

"The idea that you could buy a flat in a city centre and then, after a few years, trade up to get a house in the same area doesn't work now for the vast majority of people," he said.

What it does mean, though, is that people may move sideways (ie: to "further out" locations) rather than upwards in their current city or town.

A BUILDER'S POINT OF VIEW

ARE YOU THE TYPE OF INVESTOR A BUILDER WANTS TO WORK WITH?


Paul Tinker

As investors, we look for the best people to work in our teams. We consider their experience and qualifications. We may ask for recommendations from other investors. But do we ever stop to think about whether our builder would actually want to work with us? Can you improve the way you work with your builder to ensure a successful project delivered on budget with your criteria met? Paul Tinker gives us the point of view of the builder.

This month I thought I'd share an experience with you rather than pure theory just so that some of you may start to understand what your builder is up against when it comes to pricing up a HMO (house in multiple occupation) conversion (or any type of conversion for that matter) – this particular job didn't even get off the ground. If you've read my features in the last couple of issues, then you're now familiar with the key factors a builder considers in wall reconfiguration and drainage upgrades for en-suite installs. I think the incident I describe here illustrates some of the critical pieces of information that us builders need to know *before* you get started.

I took a call from an investor who had already purchased this property through a sourced deal with a build cost attached to it. Sadly, there was no way on God's green earth this build was going to happen – I could see that from a quick skim read over the documents he sent over. The deal included a six-bed, all en-suite HMO conversion from a two-bed, mid-terrace house and the build cost had been estimated at £18–£25k subject to the specification.

Now, the frustrating thing for your builder in these situations is that when we review this information and discuss your budget, we're giving our opinion based on years of experience (in most cases anyway). And when we have to explain that there's no way you can realise the plans at that cost, the investor goes away feeling somewhat cheated. But it's not the property sourcer who sold them the deal in the first place who they resent – no, no! It's the builder, because the investor thinks that they are being done over in some way or extorted by the builder.

It's always baffled me that sourcers will be taken purely at their word, while the opinion of the builder is simply dismissed with the investor asking builder after builder for their opinion before finally trying to do the work themselves – and it all goes downhill from there. Obviously this is down to the reputation of the building industry – something I strive to improve, by the way! But back to the specifics of this particular situation.

I ask the guy for a specification (ie: a detailed list of what he wants to be included in the refurb) for the project, and to my amazement I was told that it was *my* job to produce the spec and for him to either accept or make changes. Now, perhaps this is a service I would and could offer once we had an established relationship, or perhaps it was a service that we could just provide for a fee, but this was literally the first time we had ever spoken so I was slightly taken aback.

I explained fairly clearly that he should provide me with a full breakdown of what he wanted in terms of products, colours, quality, suppliers etc and was stunned by the reply: "I don't care where you get it from mate – I just want it to look nice."

So I explained that at the very least I needed a solid starting point before we could take it any further, including some layout drawings of both the existing and proposed floor plan so that I could start to price it up. And he said that he didn't have any drawings and he'd never been asked for this sort of information from his usual builder.

Well, obviously this got my back up – I could understand why his usual builder might be busy! But I explained that to price it up accurately I'd need as a bare minimum: floor plans (proposed and existing), a specification, time scales (a full programme would have been useful, but I can create that if I have proposed start and end dates), a budget figure and standards. I said I'd also need him to agree to our terms and conditions before we even got started.

And do you know what he said?! "Mate, I don't have time to do all that – I am going to find someone else that isn't going to piss me about." And that's where we ended the call with the investor genuinely thinking that I was trying to mess him about when all I was trying to do was to help the guy out by giving him what he needs to ensure he forecasts his spend correctly and gets what he's paid for.

So the key issue here, in case you still can't see a problem: I could tell the guy that we can do it for £18–£25K to meet his expectations and win the job. It would all start rosily and everyone would be getting on swimmingly. But here's the thing: that price is based on ABSOLUTELY NOTHING. And if a price is based on nothing, EVERYTHING is a potential extra.

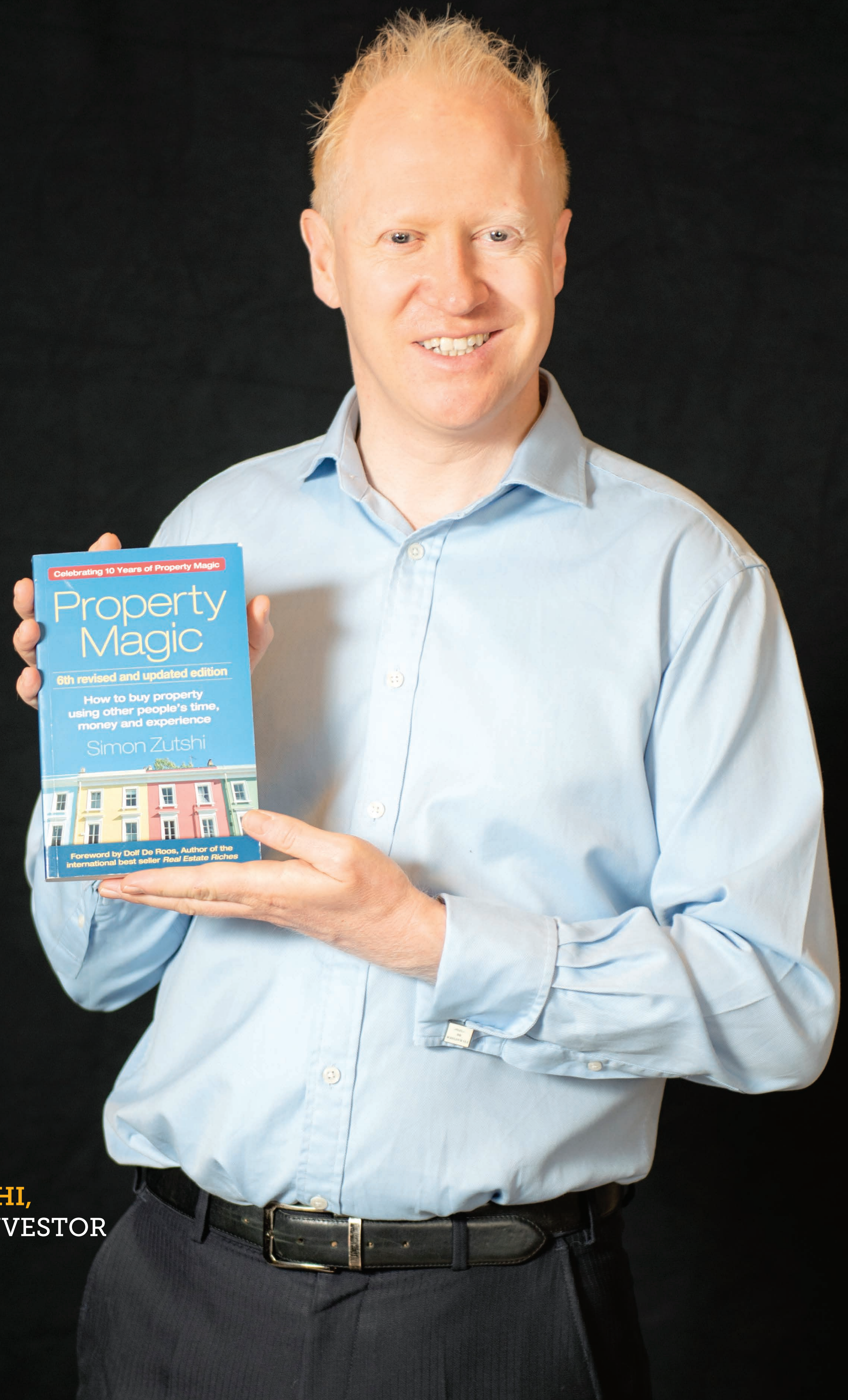
Let that sink in a minute: if a quote is based on NOTHING then EVERYTHING becomes extra. "The builder said £18k and we've spent £30k already and it's not even plastered yet" – I hear this stuff at least once a week, if not more.

So, in order to avoid these unwelcome extras, remember my top three imperatives as discussed in the September issue: exit strategy, programming and specification. Give each one *lots* of thought and make sure you communicate them effectively to your builder so they can deliver the project successfully. And, you never know, they might even want to work with you again!

If you require any further help relating to establishing relationships, working effectively with builders, specification writing, creating a programme of works or calculating build costs on refurbishment and conversion projects – please do get in touch at:

constructiontrainingacademy.com
info@constructiontrainingacademy.com

MY PREDICTIONS FOR THE PROPERTY MARKET IN 2021



SIMON ZUTSHI,
PROPERTY INVESTOR & TRAINER

SIMON ZUTSHI SHARES HIS THOUGHTS ON THE EVENTS OF 2020, HIS PREDICTIONS FOR THE EVOLUTION OF THE PROPERTY MARKET IN 2021 AND THE GOLDEN OPPORTUNITIES AHEAD

This month we are delighted to interview Simon Zutshi who is not only a very experienced investor and the best-selling author of *Property Magic*, but is also recognised as the pioneer of property networking in the UK, having launched the very first networking meeting for property investors back in 2003.

Simon was able to leave his corporate job at Cadbury in 2001 thanks to the passive income from his property portfolio. He recognised that being a property investor could be a very lonely journey, and so he started the first property networking meeting in Birmingham which, over the last 17 years, has grown to be the largest network in the UK with 50 meetings around the country every month.

Since 2003, Simon has helped literally thousands of investors to accelerate their property journey to the point where property is their primary income and they have the flexibility to spend their time how they wish. Having attended (virtually, of course) his flagship Property Magic Live event back in September, we can certainly vouch for Simon's ability to take complex strategies and break them down so they're easy to understand and implement, which is one of the reasons why his students go on to have so much success.

Simon is still actively investing in property himself and focuses on larger commercial to residential conversions. It's through this work that Simon realised how hard it can be to fund development projects and so he set up CrowdProperty in 2014 to help developers fund their projects and help investors get a great return on their money. To date, CrowdProperty has loaned just over £100 million to UK property developers.

We caught up with Simon to ask him to share his thoughts and reflections on the events of 2020 and his prediction for what the 2021 property market will look like.

Simon, what are your key lessons from 2020?

Who would have thought the new decade would start like this? 2020 has been a very stressful year for many people, a year full of uncertainty. However, I'm a great believer that when things don't always work out the way you want, we can at least learn from the experience. Here are my lessons and observations from 2020:

Change is inevitable

I think we can all agree that 2020 has shown us that sometimes things happen that are completely beyond our control. The Covid-19 pandemic and resulting lockdown caused one of the biggest recessions in UK history and could prove to be the final nail in the coffin for many retail businesses. The decline of the high street following the increased popularity of online shopping has augmented at a significant rate – what should have taken ten years has actually happened in just six months.

Your ability to adapt

We have seen that a key to survival in times of uncertainty is the ability to adapt and pivot your business. Many of my clients very quickly changed their property strategy to adapt to the new circumstances. For example, when the serviced accommodation industry was hit very hard by the sudden lack of all tourism, many of my clients quickly changed the marketing of their serviced accommodation units into isolation units to provide much-needed accommodation for key workers who had to isolate in order to protect their families from risk of inadvertently catching the virus.

As an events business running close to 600 events per year, we had to adapt very quickly and move all of our network meetings and property training online. Whilst I love live events, I must say that I've been very impressed with the way that our students and clients have adapted to this new online way of learning.

Multiple income streams

Many people had a wake-up call during the first lockdown. They realised how vulnerable they had allowed themselves to become if they depended on just one income stream, particularly those people who were put on furlough. Many realised that if they lost that main income stream, they would be in financial difficulty.

Property investing can be a lonely journey

During the first lockdown, when everyone was required to stay at home, many investors became more acutely aware of just how lonely it can be when trying to invest on your own and how important it is to have other people around you to provide support and encouragement. This is one of the reasons why, instead of cancelling our physical monthly property investors network (pin) meetings, we wanted to take them online so we could continue to provide that much-needed support.

It's at times like these that it's really important to plug into a support network of like-minded people. The reason I started the very first pin meeting back in 2003 was for exactly that reason. I'd been fairly successful to that point, having been able to replace my income and leave my full-time job at Cadbury. I realised that I had made a lot of mistakes, ones that could have been avoided if only I'd been able to sense check some of my decisions with other people who are also investing in property.

The challenge was that I didn't know any other investors. None of my family had ever invested apart from their own homes. My friends were all still busy at work, and thought I was slightly crazy. Maybe they were right? But I wanted to create an environment where I could gain support.

Mindset is critical

With all the uncertainty in the world at the moment and the fear, which is arguably more contagious than the virus, it's even more important to remain as positive as possible and not be dragged down by the negativity in the media and on social media. Your mindset is always a very important part of your success. It is in times like this when it's essential to continue to work on your mindset to keep positive and appreciate all we have. Sometimes we don't appreciate things in life until we lose them and, certainly, losing our freedom has been very difficult for many of us. Being stuck at home may have been incredibly stressful for many people. I don't know about you, but it's made me very appreciative and grateful for all that we have in life.

Experiencing gratitude

Feeling gratitude for all we have is also a way of overcoming depression and anxiety about the current situation. It is physically impossible to feel depressed whilst in a state of gratitude. An easy way to experience gratitude is to make a list of all the things you're grateful for at either the beginning or end of each day. This list might be made up of big or small things – it doesn't matter, it's about the process and helps to put you back into that positive mindset as you realise just how lucky you are despite the state of flux in the world.

Simon, what is your view of 2021?

First of all, let's look at what is happening to the UK economy – the effect of the Covid-19 pandemic has been catastrophic.

During the first lockdown when everything shut down for two months, the GDP slumped by 20%, which is the worst on record. Although the economy bounced back to a certain extent, this second lockdown – combined with the potential loss of the Christmas trade – means there will be an even more devastating effect on many retail and leisure businesses, who rely on the Christmas trade to support them for the rest of the year.

Consequently, more businesses will close in 2021, causing further unemployment. The government's decision to extend the furlough scheme has been very wise, but is unfortunately delaying the inevitable: hundreds of thousands – if not millions – more people will lose their jobs. This will be one of the worst recessions the UK has ever seen.

What about the property market?

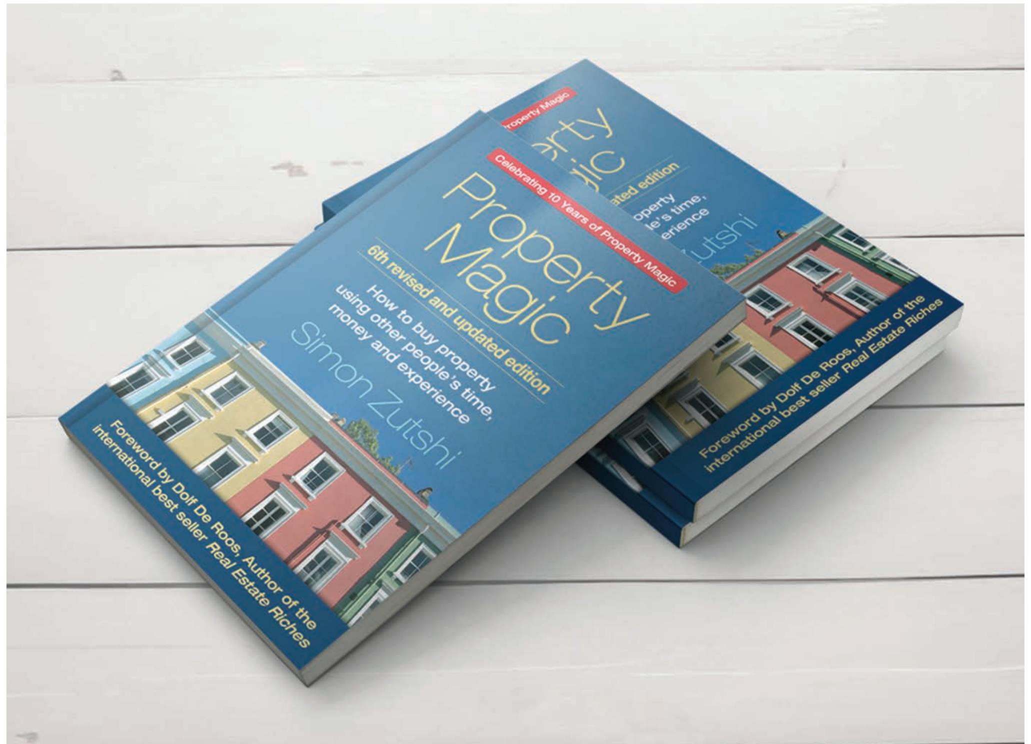
OK, so let's consider the effect this will have on the UK property market. Commercial property is going to be the biggest victim. We will see tens of thousands of office spaces become vacant, as businesses and employees become used to working from home and realise that large offices are probably a thing of the past. Similarly, the demise of the high street will mean that a huge amount of retail space is also surplus to requirements. The improved permitted development rights mean that more commercial (including retail) space will be converted into residential accommodation. This fits in with the prime minister's "Build, Build, Build" campaign, which is the government's attempt to build our way out of this recession.

The knock-on effect from the commercial property crash and the recession will obviously have an impact on the residential property market. Earlier in the year, the Bank of England predicted that property prices would fall by 16% as a result of the pandemic and the ongoing recession.

The government obviously believe that property prices are going to fall, which is why they introduced incentives such as the Stamp Duty Holiday. This is in an attempt to stimulate the property market – and it seems to have worked, especially coupled with the pent-up demand following the first lockdown. There has also been a lot of extra cash sloshing around in the economy thanks to Bounce Back Loans and CBIL (Coronavirus Business Interruption Loan), which led to an unexpected boom in the property market. However, after every boom there's always a bust – I still believe that we will see a property market crash in 2021.

Whilst I don't believe it will be as bad as the 2009 crash, we do need to look at the lessons from 2009 to work out how best to respond this time around. You can look at this in two ways: you can see this as a disaster, a time to panic and run for the hills – this is what many investors will do. Or, you can see it as an incredible opportunity – an opportunity to buy more stock at a lower price than was available previously.

The best way to do this is by finding and helping motivated sellers who are desperate to get out of the property market. Once you find these motivated sellers and help them to solve their property-related problem, you create the opportunity to acquire some amazing property deals. I believe that, as the property market crashes and there are more and more sellers and fewer and fewer buyers, it will become harder to secure



traditional financing. Banks will become even more nervous about the potential crash and how far it could go, so it's likely that lending might freeze up completely.

What does this mean for property investors?

There are two important points here. First of all, if you have equity in property that you want to release to invest further – whether that be equity in your own home, rental properties, or inherited property – I've been recommending to my students that they get on with this as soon as possible and release equity whilst they still can. It may not be as easy to do so later in 2021.

Secondly, I believe there will be lots of opportunities for those of us who are ready and prepared to take action. I think there will be many landlords and property sellers who might be open to more creative solutions such as purchase lease options, exchange with delayed completion and even vendor finance, where the seller helps fund the deposit for your purchase. These are all creative strategies which many investors have heard of, but few actually understand how to implement them. As such, investors with specialist knowledge will have a real competitive advantage in this falling market.

Should we wait to buy if the market is going to fall?

Very often, people ask me, "If the market is falling, should we wait until the market hits the bottom, and then buy?" Whilst in theory this makes sense, there's a huge issue here. The problem is that no-one knows when the bottom of the market will be. Also, when the property market does actually hit the bottom and everyone feels confident that it's happened and the property market starts to go up again, then you will find that sellers are less motivated to be flexible on the price of their property or the terms of the sale. This is because they live in hope and expectation that someone will come along and offer them more money as the market begins to recover. It is far easier to obtain good discounts when the market is falling and sellers just want to get out of the market.

Whilst the property market is falling, it's possible that you will buy a property over the next six months and then find it to be worth slightly less in 12 months' time. Does this mean you have lost money? No, of course not – as long as you don't need to sell the property in the short term. If you believe that the long-term trend of the UK property market is up, owing to the increasing population and the limited supply of accommodation, then you will understand that – as long as you can afford to hold on to the property – it makes a lot of sense to buy as much as you can, whilst the market is falling.

This is, of course, as long as you follow the golden rules of property investment, which I share in my book *Property Magic*. This will help you to minimise the risk and maximise your returns. In particular, rules two, three and four are relevant here: rule two is that we only buy in an area with a strong rental demand. Rule three is that we always buy for positive cash flow, where the property must make money every, single month. Finally, rule four is to hold for the long term.

If you follow these rules, then it doesn't matter if your property comes down in value in the short term because you know you can always rent it out; you're making positive cash flow so you have no need to sell the property and you can afford to wait for the property market to recover.

How would you summarise the possibilities for investors as we go into 2021?

I believe that 2021 could be the buying opportunity of this decade. Let me ask you a question: if you were able to go back to 2009, knowing what you know now, would you buy more property? Most property investors would answer yes. Well, here's an opportunity similar to 2009. As long as you know what you're doing, there are going to be some great opportunities. I'm actually really excited about the next 12 months and what it means for me and my students.

Feel free to connect with Simon and his team in the following ways:

- Subscribe to Simon's YouTube channel: **youtube.com/SimonZutshiOfficial**
- Listen to Simon's weekly Property Magic Podcast: **PropertyMagicPodcast.co.uk**
- Check out your local monthly pin Meeting: **pinMeeting.co.uk**
- Connect with Simon on LinkedIn: **linkedin.com/in/simonzutshi**

PROPERTY TIPS & TRICKS
with Kevin Wright

YOUR PROPERTY "LITTLE BLACK BOOK"

These days your little black book is more likely to be a contacts list on your digital device, but it fulfils the same purpose – it's where you go to find the people you need when you need them. If you're serious about being a property investor, you need to know the right people – so you need to work on building a strong network you can call on.

So where do you start?

If you're just getting into property it's worth attending your local property networking events. You'll meet other people who "get" property investment and a combination of useful service providers and more experienced investors who will offer advice.

Some people think these events are a waste of time, but as long as you don't just sit in a corner chatting about football you should get real value from them if they're focused specifically for people in property.

What kind of contacts should you be looking for?

A good place to start is to talk to other property investors. Many of them have some years of experience and can give you good advice and guidance. Some may have properties they want to sell that would make great purchases for you, or they may know about opportunities that they can't or don't want to take advantage of and pass them on.

There will be other people at networking events who provide services to property investors and you may make more useful contacts with these suppliers too. My advice would be to get to know them before using their services – in other words, carry out your due diligence! And don't forget, other property investors may be able to offer useful feedback on these suppliers as well.

Who do you need in your little black book?

A good solicitor

Possibly more than one as – even if you already know a solicitor with a conveyancing department – you'll need a specialist solicitor to deal with bridging finance, who understands the need for speed.

Kevin Wright
Investor, Finance Broker, Speaker
Positive Property Finance

Tradespeople

While you may not meet these people at property networks, they're often in mainstream business networks. If you're planning to take property investment seriously, you'll need tradespeople you can trust to do a good job at a reasonable price.

If you're planning to manage your own properties, you'll need people like plumbers and electricians who can be relied on to turn up when they say they will and get the job done. This applies to both the refurb side of property investment and also to providing maintenance services if you are – or plan to become – a landlord.

An accountant

As your portfolio grows and you start making serious profits, you'll need expert advice on how best to manage your finances so you don't get stung for any more tax than necessary.

A financial advisor

An independent financial advisor can help you to invest your profits wisely so you build up your nest egg to take care of your retirement. Be aware that there are financial advisers and independent financial advisors – the former is usually tied to certain investments, while the latter can access the whole of the market. That doesn't mean one is better than the other, but you need to be clear about the difference.

A finance broker

An experienced broker who covers the whole market and can arrange your mortgage, bridging and development finance needs. Choose one that you feel you "gel" with and stick with them.

Estate agents

Good relations with your local estate agents can be worth the investment of time. If they know what you're looking for, they may call you when something suitable comes on the market, allowing you to get in ahead of other potential buyers.

You'll need to learn the phrases that will put you at the top of your estate agents' contact lists too, but that's a whole other article!

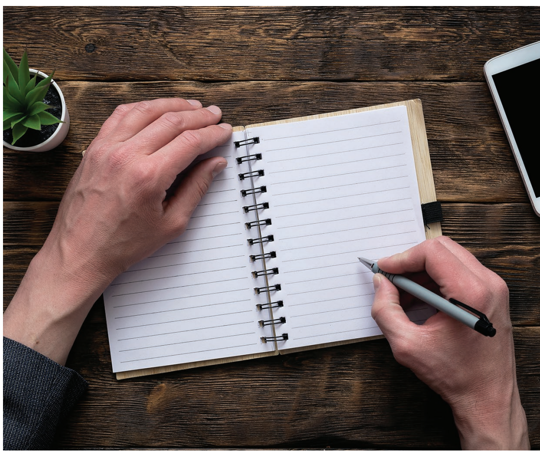
Advocates

Don't write off people who aren't of immediate use to you. Anyone who understands what you're doing could recommend you to others – or could recommend potential contacts that could be useful to you.

I don't suggest you network randomly. Work out what you want to achieve and choose your networking events carefully. And remember that networking is a two-way street. As well as looking for useful contacts to put in your little black book, don't forget to see who you can help too.

On that note, if you would like to connect with me, please do.

youtube.com/kevinwrightproperty
kevinwright@thinkpositively.co.uk



LETTINGS UPDATE

by Ben Quaintrell

LETTING AGENT OF OVER 15 YEARS

Traditionally quiet Christmas period starts early with onset of lockdown 2.0

There's no doubt the introduction of a second lockdown across England acted as a brake on a previously buoyant lettings market. We here at My Property Box certainly saw demand slow down – even though the property industry has remained open for business throughout.

Much of this was owing to the economic uncertainty as people put their lives on hold before reassessing their situation once restrictions were lifted. Nowhere has this been more keenly felt than HMO properties (houses in multiple occupation), as professionals either delayed the decision to move in to these properties or, having been furloughed, moved back in with their parents to save money. Having spoken to many of my contacts within the industry, this trend appears to be common.

Of course, lockdown 2.0 also had the effect of bringing forward the traditionally subdued Christmas period where there's always been a slump in the market when prospective tenants put off making a move until after they see in the New Year.

For those seeking to let a property over Christmas, ensure your advert is prominent for all the right reasons, ie: use good-quality photographs and video plus a brief, punchy description. Offering an introductory low rent might prevent the property remaining empty for a month.

Maximising on maintenance opportunities

December remains a busy period for landlords and letting agents in terms of catching up on maintenance work, especially if the property is empty. My advice to landlords is to use this time productively by:

- Checking overflow pipes are correctly connected and free from blockages. Also ensure that gutters and downpipes are devoid of cracks and splits and supporting brackets are secure – snow and ice can quickly build up and cause damage. In addition, make sure drain gratings and gutters are clear of leaves and debris, external pipework, including taps, should be lagged and any cracked or missing roof tiles must be replaced.

- Ensuring gas and electric supplies remain on and the boiler timer used to warm the home in the morning and evening. Where there are prepayment gas and electricity meters, I recommend topping them up to ensure the boiler remains operational.

- Checking to make sure you have adequate landlord insurance cover. Most insurance is void after the first 30 days of a property being empty, so make sure you're covered – otherwise you may have a hefty repair bill should the worst happen.

- Sending tenants a card of gift in the case of an occupied property – it's always worth this little gesture as it's enormously beneficial to maintain good relations. For example, they are more likely to alert you to maintenance issues before they develop into a major and costly problem.

Record average house prices strengthen rental sector

I'm confident the rental market will pick up again across January. Data released last month for October found average UK rents had risen 2.2% when compared with the same period last year, according to analysis by Homelet. It found the average UK rent stands at £974 a month, up from £953.

London continues to be the exception, with average rents dropping 3.7% over the last 12 months. This trend reflects falling demand in the capital – the exact opposite of the regions where, in most cases, demand is outstripping supply.

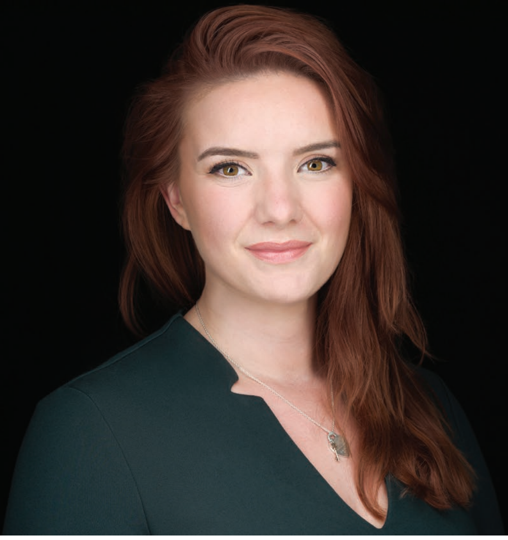
Furthermore, the latest house price statistics published last month by Halifax suggests the rental sector will remain strong. It revealed that average property prices grew by 7% during the 12 months to October, achieving an average record high price of £250,547.

Pent-up demand combined with the chancellor's decision to bring in the Stamp Duty Holiday, due to end in March, has fuelled this huge increase. The result is that for many younger and first-time buyers, the prospect of owning a home is now further away than ever – leaving little option but to continue renting.

I predict that a combination of rising house prices and the effects of lockdown 2.0 will create a second wave of demand for rental properties and we'll see a very different pace to the market when compared with December.

To discuss letting or investing in property within the Northeast and North Yorkshire region contact Ben Quaintrell:

0333 358 3676
mypropertybox.co.uk
ben@mypropertybox.co.uk



LENDING UPDATE

Keeping us up to date on the current situation in the world of property finance

Alice Williams - Commercial Finance Broker

Since lockdown 2.0 was announced, there has been significant trepidation surrounding lenders with concerns that the impact felt by the first lockdown would once again rear its ugly head. The first lockdown caused significant disruption in the property lending sector. This was largely down to physical valuations and site visits not taking place, and infrastructure issues surrounding working-from-home set-ups. These factors exacerbated the general feelings of uncertainty that comes with no precedent on which to base a way forward. The majority of lenders temporarily halted accepting all new business and the sector came to a near-standstill.

So there's no doubt it's been a tumultuous ride in the property lending market over the last six months with conditions proving challenging for even the savviest of investors. But, as ever, it's all a matter of perspective and we should remain hopeful in light of the positivity demonstrated by lenders.

It's been a great relief to receive a plethora of emails from across our lending panel covering a vast offering of products, all confirming that no interruptions to service are to be expected. Valuers continue to undertake physical valuations, quantity surveyors continue to carry out site visits and – most importantly – all adaptations required to continue working within the confines of the "new normal" are already in place.

As of November 2020, the property finance market offering appears to have stabilised after a number of turbulent months where we saw regular changes to policy, appetite, leverage and rate. There is great comfort in knowing a product available today will remain so tomorrow – something that couldn't be taken for granted a mere six weeks ago.

Bridging finance

In the bridging finance market, maximum loan size is typically sitting between 70–75%. In most cases this will be 70–75% of purchase price, or the value provided by a valuer (whichever is lower). There are a number of exceptions where lenders will be led by the valuer's comments only, which will enable you to borrow up to 100% of purchase price by borrowing up to 75% of market value. It is important to note that the lenders who are currently offering over 75% of purchase price are few and far between. Reassuringly, bridging loans continue to complete at speed, with completions commonly taking place in 28 days or under.

Development finance

The development finance lenders remain cautious. The majority are not lending in excess of 65% of gross development value (the end value of the completed development – GDV), with a smaller proportion of lenders limiting their maximum loan to 55–60% of GDV.

Development finance providers will calculate their maximum loan size by considering a number of factors. In addition to loan to GDV, they will also evaluate loan to cost percentage, and the percentage of purchase price (or current value if there is strong reasoning as to why this would not be equal to purchase price). The loan thresholds for these two factors are currently sitting in the region of 85% of total cost, and 70% of purchase price. There will be exceptions to these thresholds. If you wish to maximise the amount you are able to borrow, you should expect to pay for this with a higher interest rate.

Development finance completion timescales are dependent on several elements including when you instruct the relevant professionals and how much of your own due diligence you undertake on the site prior to the finance application. Expect the finance application to take around three months to complete, but there are ways to expedite this if circumstances necessitate.

Exit development finance

The lending options available when exiting development finance remain varied. Products are available to assist with refinancing part-completed developments where either more time is required, or you wish to release further equity from the site. Development exit bridging can provide finance fast, before you implement your longer-term exit strategy of sale or refinance on to a mortgage. There are also mortgages for a range of different property types, including an ERC-free mortgage (mortgages with no early repayment charges), specifically designed for newly completed developments.

Investment mortgages

Finally, the investment mortgage market remains active. There are ample products available to support anyone from first-time landlord/first-time buyer to serviced accommodation operators.

In the investment mortgage industry, the average maximum borrowing is in the region of 75%. There are, however, a handful of products available up to 80% on certain property types. Questions are being raised by mortgage providers surrounding any Bounce Back Loans or mortgage holidays that have been taken by investors. Be prepared to answer these if applying for a mortgage in the coming months and be sure to make your broker aware of loans/mortgage holidays taken from the outset as it may impact on which lenders your broker will approach.

In summary, the lending market is proving to be buoyant, we have not seen a slowing down and expect operations to continue as efficiently as they can during the current circumstances into early next year. It is encouraging to see a plethora of finance options still available to investors, supporting any investment strategy.

Visit the Pilot Fish website for blogs and a vault of free resources. If there is anything further you would like to discuss, or anything I can assist with, please do get in touch.

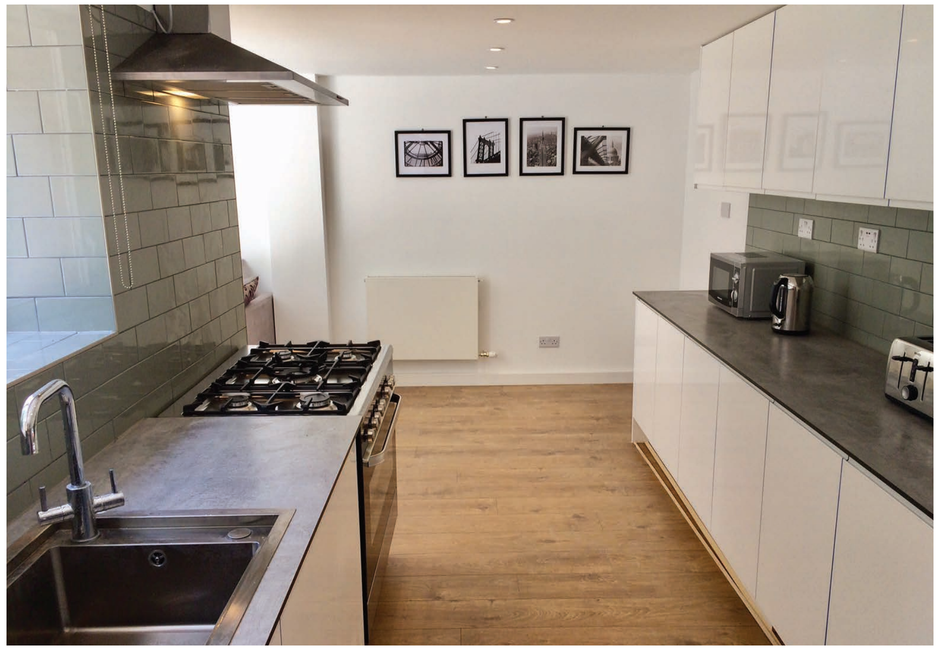
pilotfishfinance.co.uk
property@pilotfishfinance.co.uk

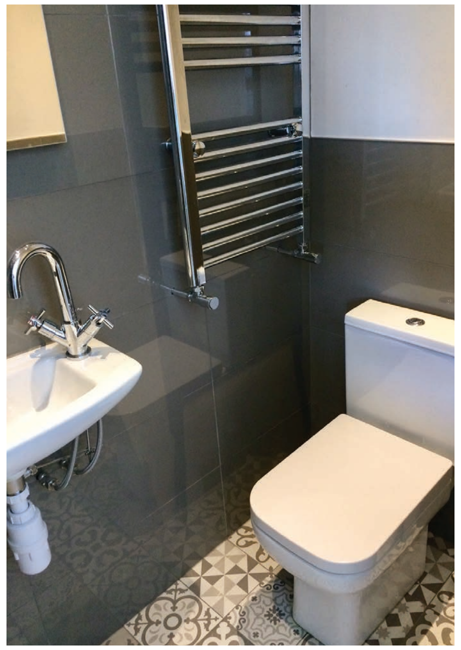
Written on 16/11/2020. This information may change at any time during the printing process. Please consult your broker in all investment decisions.

GROWING A PROPERTY BUSINESS

bluebricksmagazine.com

GRANT AMOS TELLS US THE STEPS HE HAS TAKEN TO MAKE THE MOVE FROM AN UNFULFILLING JOB TO OPERATING A SUCCESSFUL PROPERTY BUSINESS





This month we speak to Grant Amos who, with wife Emilie, has steadily built up a property portfolio over the past six years to include 12 HMOs (houses in multiple occupation) before more recently diversifying into serviced apartments (SAs); the couple are in the process of acquiring their eighth unit in Southampton.

Six years ago, Grant's life was very different: he was struggling in an unfulfilling career with very long hours and was unable to spend any quality time with his wife and two young children. "I used to leave the house at 6.00am and arrive home at 9.00pm, thanks to a long commute. The only time I would see my children during the week, they were asleep and, by the weekend, I was too exhausted to join in any of the family activities I had imagined doing with them during their formative years."

Fast forward to 2020 and Grant's income has not only increased but he is in a position where he can completely mould his work around his life rather than the other way round. "It's been hard work getting to this point, but the hours rarely seem as long when you enjoy what you're doing, and it's great being able to choose *when* I work." So, how did Grant manage to achieve this?

How I got into property

I purchased property in south London in the mid-1990s fully intending to live there myself. However, a change in circumstances meant I was unable to move in and ended up renting the place out. This gave me a decent second income and so, seeing some opportunity, I purchased another property. With the benefit of hindsight and certainly if I'd had the knowledge then that I have now, I would *definitely* have continued down that path but, as it happened, this was the end of my initial venture into the property market, at least for the next ten years.

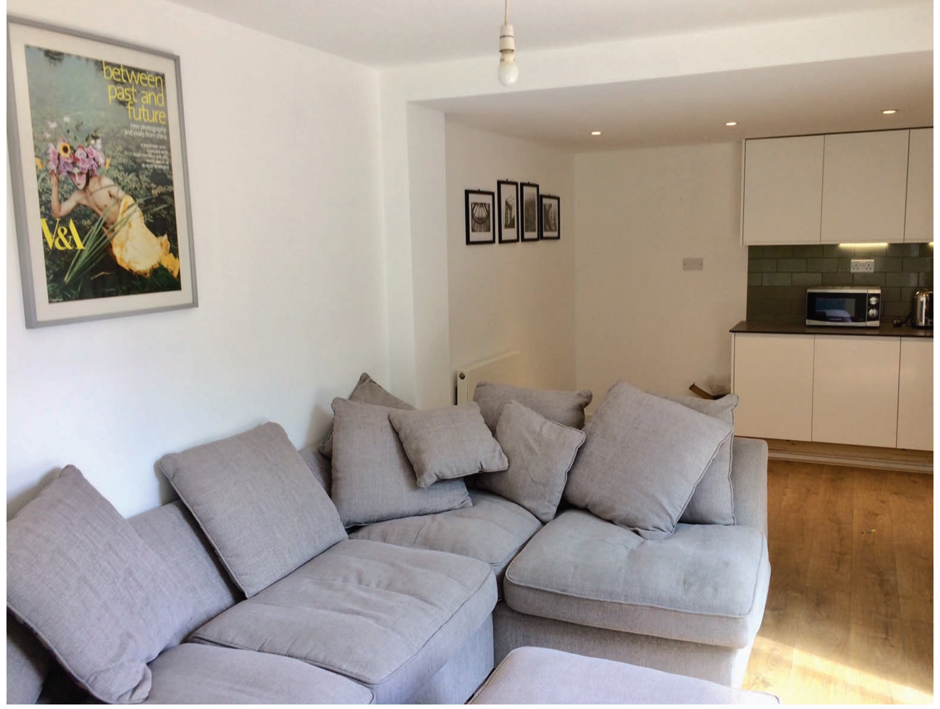
My second venture came rather fortuitously. My job was in recruitment, an industry which I had worked in for the past 15 years. I became increasingly frustrated with the long hours – looking back, I was in the wrong career. The hours only seem long if you're not enjoying yourself or you're not challenged, which is why I found myself in a bit of a rut – with limited opportunity for progression, and seemingly no way out – in my early 40s with a family to support. The 2008 recession exacerbated conditions for me following a recruitment freeze within my sector of the industry.

Determined to break out of the rut, I explored the world of franchising and soon purchased a franchise that focused on solving condensation issues in properties. The franchise involved networking with landlords in order to promote my product. One of the networking events I attended was my local Property Investment Network meeting and I instantly became intrigued by HMOs and the seemingly fantastic income opportunity that they could provide.

And so, alongside working on my franchise, I threw myself into learning everything I could about HMOs, while also speaking to as many people as possible to gather information. Some five months later, I ended up with my first HMO in Guildford. The income generated by this six-bedroom, two-bathroom property was more than half of what I earned from my franchise. Once it was up and running, the HMO took only 10% of my time with my franchise taking up the other 90% so I quickly realised where I needed to focus my energy!

Further properties

I was incredibly fortunate that I had the two rental properties in London – their value had increased hugely over the ten years since I purchased them and, through refinancing to release some of the equity, I was able to purchase and refurbish two more HMOs. Once tenanted, I found that my main income stream was now my property portfolio. By this point, my goal was to obtain as many HMO properties as possible, but I was constrained by the lack of capital to invest having exhausted all further supplies. Plus, I was still working full time in the franchise and so I had somewhat limited time available to dedicate to these projects.



Grant admits that he needs to work on his cushion arrangement for future photos

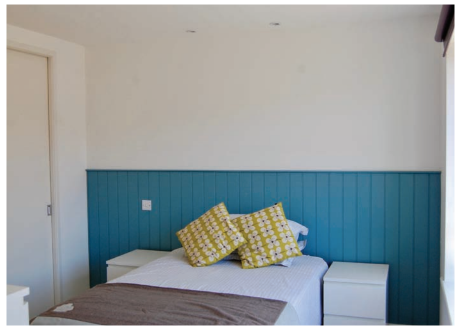
Joint ventures

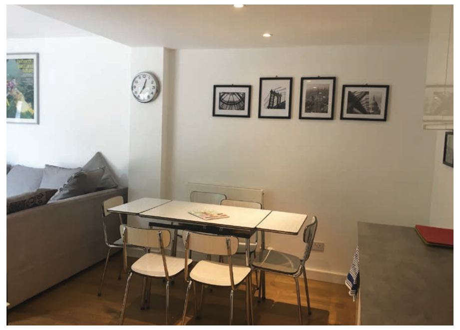
I soon realised that the only way to expand was to focus full time on property. I managed to find someone to take on the day-to-day responsibility of my franchise, which enabled me to focus a large portion of my time elsewhere. I started looking for suitable joint-venture (JV) partners as I was aware that JV finance was the only way that I could really scale up the business. My wife and I were always chatting to friends and acquaintances about our situation, and escaping an unfulfilling career frequently resonated with others. People often asked how they could get involved, and we also knew people who were frustrated by the poor returns they were getting from savings and traditional renting. So, when we put the word out that we were looking for JV partners, we were approached by a number of people who we felt we could work with.

Operating with a point of difference

At the same time as working with JV partners, the HMO model was becoming increasingly popular and was a buzzword that we were hearing time and time again. More and more people seemed to be jumping on the bandwagon, which meant that a potential tenant had a wider choice of properties to choose as their home. It was becoming obvious that finding and implementing real points of difference were the key to success – feature walls, parquet flooring and coffee machines were becoming the norm. As such, we try to furnish our properties practically and stylishly with good-quality furniture and make the communal rooms inviting so our tenants will enjoy spending time together. We supply a regular cleaner to clean the communal areas as well as the tenants' bathrooms. The last few years have provided us with a steep learning curve, and unlike the early days where properties had very few bathrooms, all rooms are now usually equipped with ensuites.

We also choose our locations following meticulous research and only invest in properties that are in areas with a number of large employers or properties that are located very close to city centres with great transport links. The finished property must also resemble a family home as closely as possible, without sandwiching bedrooms in areas where they really are not supposed to be. We only go for properties that have the capacity to create large and uncompromising communal areas, including separate kitchen and lounge areas that can be designed in a way that is inviting.



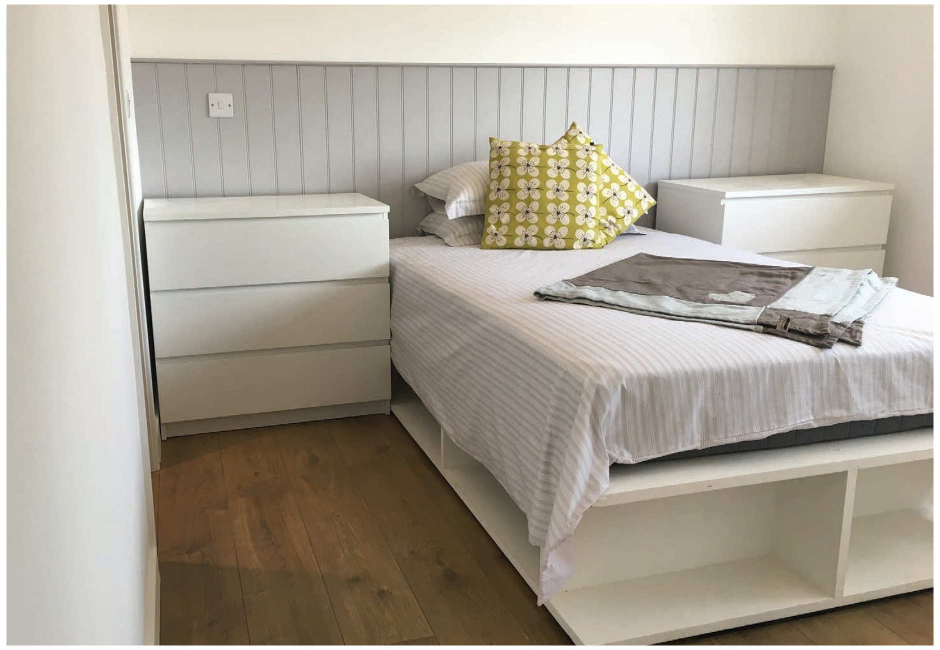


Because we are very particular in terms of both location and internal layout, all of our projects within the last three years have involved significant building work with costs often into six figures. We purchase the properties in Ltd company structures with our JV partners, who finance the development and are then paid back when we refinance. Having this model enables us to expand more quickly, as we do not have to fund the developments ourselves.

It's all in the community

The other point of difference we have is our focus on the community within the house. When we open a new house, we are meticulous in ensuring that we find the right tenants. We want them to be community-minded and of a similar age – as such we tend to take on a large number of young professionals. Our vetting of prospective tenants is not so much about whether they can pay the rent or not (although this is of course also important!), but more about whether they will mix well with existing tenants or – if it's a new house – if they will help to shape a new community of tenants.

Whilst our properties enjoy low tenant turnover compared to other shared houses, sadly people do move on, so we try to involve our existing tenants in the process of recruiting new housemates by encouraging them to undertake viewings. This way we can ensure the strong community of the household is maintained. We know from experience that if the tenants carry out the viewings, we will have a considerably better chance of filling the rooms as each party benefits from meeting one another, and it also has the added benefit of saving us the time of having to attend the viewing ourselves.



"I soon realised that the only way to expand was to focus full-time on property"

Grant Amos
of HMO Matters

We take great pride in the feedback that we get from tenants – how much they enjoy our houses, and how many of them have formed strong friendships. We felt very chuffed when our first lot of tenants all went on a long weekend together, and are constantly delighted to see that they have regular house outings, bake-offs and even house quizzes. The pandemic has forced them together and we are so pleased to see that they can live happily with one another. Every so often, we send them a take-away or a case of wine, and this builds an excellent landlord/tenant relationship. At least three sets of tenants have become couples, so something must be going right!

Risk management

When we speak with people they are often surprised by the diversity of our portfolio. Our HMOs are situated in five main areas: Portsmouth, Guildford, Farnborough, Southampton and Bristol. The main reason for this is that we prefer our houses to be located near large hospitals because this provides us with another source of tenants should the "working professional" market slow down for whatever reason. In addition to this, we have been pushed out of certain areas as rising property prices have reduced returns, and so we simply move to new areas where we can maintain our existing returns.

We also wanted to manage risk and being geographically diverse helps us with this. We have great systems in place with a team of trusted traders, which means that we can manage our properties without travelling to the houses if we choose not to. As it is, we do visit regularly but this is because we *choose* to rather than *have* to. We have a great network of individuals in the local area of each house that can help us with all aspects of management, all of which we control from our base – otherwise known as the kitchen table!

Plans for the future

We are developing a serviced apartment business in Southampton. We've been doing this for a year and are already in the process of acquiring our eighth unit. Serviced apartments are considerably more time-consuming to manage, and so we are working with a local business partner while we focus more on acquisition and strategy. Alongside this I also work with a small number of mentees who are typically individuals with available funds looking for mentorship and help with setting up their first HMO.

We have also recently set up a website **hmomatters.com**, which is designed to be a port of call for all sorts of information about HMOs. We are in the process of adding podcasts covering various topics in relation to HMOs and all the information available is completely free.

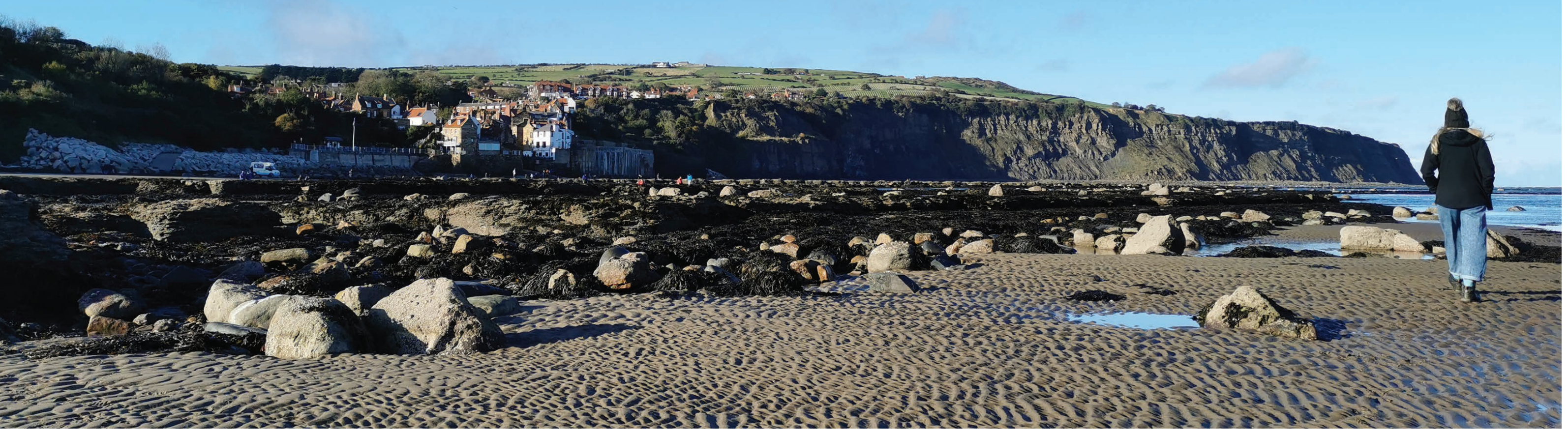
Although there have been a few challenges along the way, I have no regrets whatsoever regarding the journey Emilie and I have taken over the past six years. It's been hard work but also extremely rewarding and I am very proud of what we've achieved and look forward to what the future holds.

Feel free to connect with me via email or visit our website, Facebook group or YouTube channel.

hmomatters.co.uk
facebook.com/grant.amos.3
YouTube: hmo matters
info@hmomatters.co.uk

ROBIN HOOD: PRINCE OF HOLIDAYS

Editor Caroline spent two days living the high life at the latest addition to the Maison Parfaite portfolio in Robin Hood's Bay



I was delighted to get the chance to squeeze in a pre-lockdown spot of luxury this October with a two-night stay in Robin Hood's Bay at Rounton Villa, the latest addition to the Maison Parfaite estate owned by Sarah and Sean McDermott (who you may have seen featured in our July and October issues). Along with my mother and my 17-year-old daughter, we had the pleasure of staying in the ground-floor apartment known as Villa Neptune.

Villa Neptune has the capacity to sleep four to six people throughout the two double bedrooms and on the huge and extremely comfortable sofa bed from Design Quarter (I can vouch for this as I had a lovely nap on it!), but bear in mind that there are no curtains so your guests would need to be happy with an early start during the lighter months. For larger families and groups there is the option to hire out the upstairs apartment, The Captain's Residence, which sleeps eight to ten people or, indeed, to take the whole house which comfortably sleeps 14–16 people.

I have two main reasons for writing this article. Firstly, I'm hoping my rave review will be useful for those in need of a well-earned break from the trials and tribulations of their own property business or career (all of us then!). Secondly, I wanted to give a first-hand account of the benefits of creating high-spec serviced accommodation for those of you considering this as your chosen property strategy.

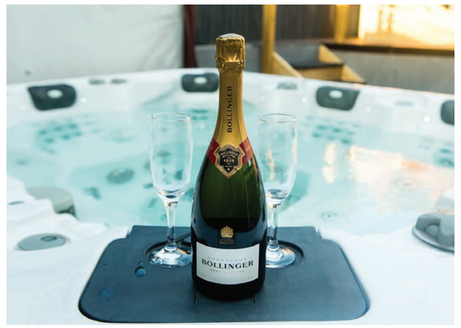
Going to the high end of the market

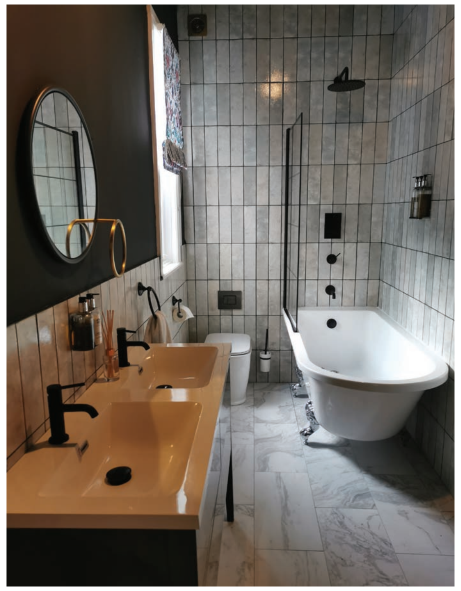
One benefit of pitching to the upper end of the market is that you will narrow the competition in terms of similar accommodation and therefore have more chance of filling the calendar with bookings from holidaymakers looking for a higher standard of facilities for their getaway.

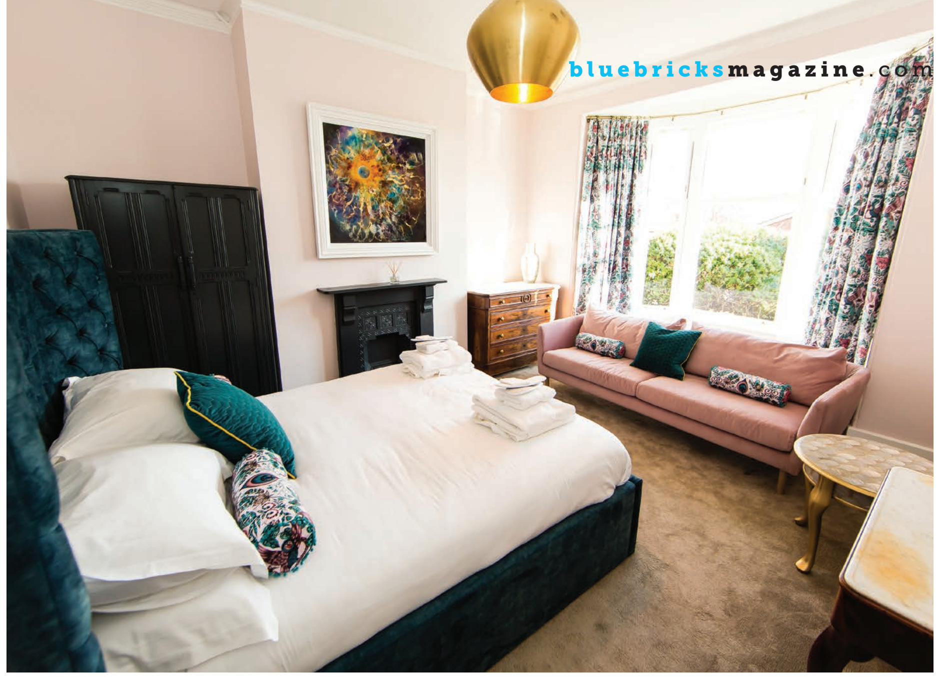
Whilst there was clearly a higher cost involved in renovating and furnishing this property, the quality spec means that Sarah and Sean can hopefully gain more durability from the chosen fixtures and fittings while also attracting a better quality of customer who are prepared to pay more for a little bit of luxury.

The spa experience

The highlight of the stay for me was definitely the outdoor hot tub, which is included for guests of Villa Neptune. We relaxed in it both evenings for many hours and, even though it was October, we were lovely and warm while we sipped our prosecco, nibbled chocolates bought in the bay, listened to music and chatted. It was utter bliss – and the robes and slippers provided for the walk between the tub and the villa added that something extra.







If you can provide this spa-level experience for your guests then you really will increase your chances of filling your bookings whilst also securing great reviews and return custom.

Quality fixtures and fittings

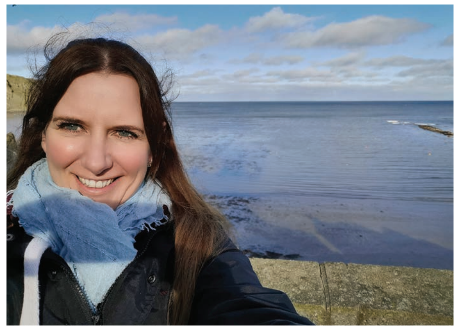
All Maison Parfaite holiday-lets are fitted with quality fixtures with no expense spared and Rounton Villa is no exception. They boast beautiful Kesseler kitchens fitted with Neff appliances and include pretty much any accessory you can think of for serving up a feast. This certainly adds to the customer experience, and is something to consider when kitting out your own properties.

There are various lighting options across the property sourced from Heals and Tom Dixon to enable guests to create their desired ambience. Meanwhile, the bedrooms were luxurious with plush Design Quarter furniture, soft carpets and beautiful fabrics. The beds were boutique Chesterfield style and extremely comfortable with a quality mattress and bed linen.

Throughout the accommodation there were accessories and pieces of art to catch the eye and add to the design including French House antiques and original artwork by Philip Gray, Simon Kelly, Rozanne Bell and the Rocks brothers.

Extra touches

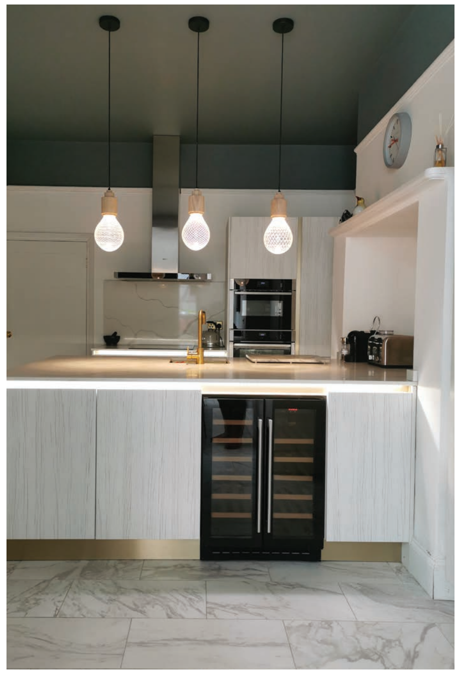
Maison Parfaite goes the extra mile when it comes to providing those little touches to enhance the guest experience. The bathrooms were supplied with lovely H2k toiletries in



Calm Seas (a very fitting choice for a seaside resort). For playing your chosen music there was a Bose sound system. And we were treated to a complimentary bottle of delicious Crémant de Bourgogne. I don't think any visitor would expect these little extras, but they made a real difference to the experience. Maybe something to consider if you are running your own holiday-let business.

The local area

If you haven't visited Robin Hood's Bay, then you're missing out on a charming little seaside town. And it really is tiny – with bijou, crooked houses and mini, irregular paths that add to its charm. You can, of course, spend hours walking along the beach and cliff paths for as long as your legs will carry you and it also boasts the usual seaside delights: quaint gift shops, cafés, pubs and the compulsory fish and chips! Location



is key when choosing where to set up a holiday-let and a seaside setting is *always* going to appeal to guests.

Thank you to Sarah and Sean for a wonderful stay in their gorgeous apartment. I would highly recommend that you go for a visit, whether in the name of market research or simply for a well-deserved break!

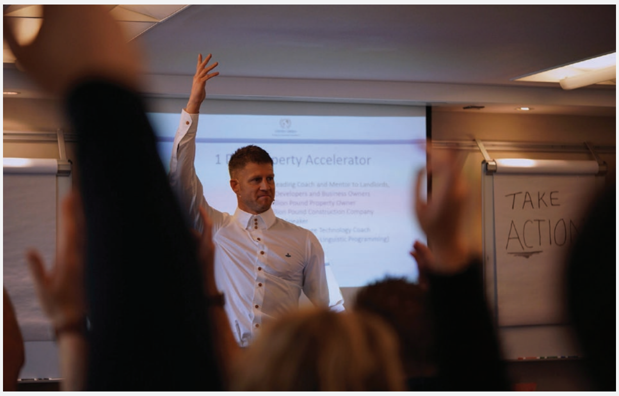
For further details visit the website: **maison-parfaite.com**

COMING SOON...

If holiday-lets – or serviced accommodation more generally – is your chosen strategy for investing then look out for Sarah McDermott's 12-part series starting in January where she talks us step-by-step through everything you need to know about setting up and running this type of business.

COURSE REVIEW

BY RYAN ABBOTT



Course title: Elite Property Training

Trainer: Steven Green

Length of course: 7 days

Course format: Live/in person (government restrictions allowing)

Strategies included: Commercial to residential, HMO and high-level financing options

Course modules: Mindset, Awareness and Property

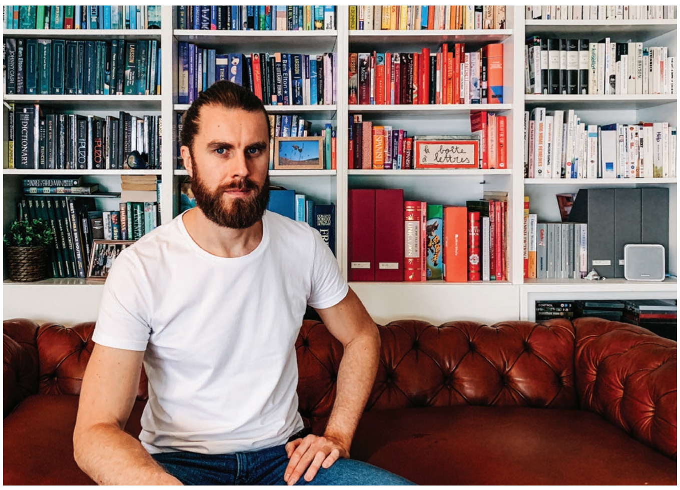
Course materials provided: Workbook, Journal, Contracts, Access to Elite private groups, quarterly meetings

Follow-on courses: Opportunity to join Steven's Mastermind group

Forthcoming dates: N/A

Cost: £7,000 +VAT

Contact:
stegreen.co.uk
enquiries@sgpropertyinvestmentacademy.com



Ryan Abbott

Why I chose Steven's training

I was working offshore and away from home a lot as an abseiler when I first heard about Steven and his property course. In July 2018, we were driving around a wind farm in Scotland and my colleague explained that he was booked on to Steven's seven-day Elite training having already completed the one- and three-day courses. I was interested as I was planning to make some moves that would allow me to be closer to home to spend more time with my young family and I had always been interested in property since buying my first doer-upper in 2005. I was also already well into my own journey of self-development by this point and had read some of the inspiring and insightful books that Steve quoted himself. I was sold so I took the decision to call him – we had a quick chat and I knew straight away that this course had presented itself to me at the perfect time. I knew I would get a solid base for kickstarting my own property journey.

My experience during the seven-day course

I attended the course in October 2018. I certainly got more than I had expected from the depth of learning provided with regards to property. Steven showed us a simple way to stack up a property deal and I learned how to source everything from single buy-to-let properties to reworking commercial space into residential projects. This included a method of costing a refurbishment plan and how to access finance. Steven also provided something much greater than this in his unique ability to see and bring out the best in people.

During the course and in his final appraisal of me, Steven helped me to discover the self-belief and confidence in myself to follow my long-standing ambition to be a serial entrepreneur. I had never known where to start, but I now know how to plan the work I need to do and work the plan that I have created. Previous to this, I had been carrying some deeply felt self-limiting beliefs and overwhelming fears that were stripped away during this course and, when I left, I knew that this was just the beginning of a new and exciting stage in my life.

My next steps after the course

I soon set up my own deal-sourcing model called I Am Homes – I left my highly paid career and I haven't looked back since. This isn't necessarily something that I would recommend, but it was what felt right for me and my family at the time. We re-mortgaged, made cut-backs and I committed all of my energy to making a success of my new ventures. Within a few months I had sourced my first deals, buying two properties as part of a joint venture and sourcing another for an overseas investor. It hasn't been easy, but having the PIA property group and Steven to support and reassure me along my journey has been really helpful. It's given me the confidence to create a service and work with investors, some across the globe, who I'm helping to build or sell portfolios.

I Am Homes is starting to build some real momentum – we have a strong team, we're in the process of building a new website and we will launch a brand new Facebook marketing campaign before the end of this month. If you would like help with your property investing or if you are a fed-up landlord wanting to get rid of your property stock then we have the resources and contacts to assist.

iamhomes.com
info@iamhomes.com