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Blue Bricks MAGAZINE

HOW TO GO FROM BEING A 'PROPERTY PROFESSIONAL' TO A PROFITABLE PROPERTY BUSINESS

HAYLEY ANDREWS

THE FOUR GOLDEN RULES TO BUYING AT AUCTION

HOW TO KEEP YOUR CAPITAL SAFE

JOHN HOWARD

CHRISTOPHER WATKIN – THE SCIENCE OF MARKET TRENDS

BLUE BRICKS – USE CLASSES AND PERMITTED DEVELOPMENT RIGHTS FOR SHORT-TERM LETS

SAVOYS PROPERTIES – THE TOP PROPERTY INVESTMENT STRATEGIES TO HELP YOU GROW YOUR WEALTH

THE PROPERTY INVESTOR MAGAZINE

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ISSUE 22 | MAY/JUNE 2023

EDITOR'S FOREWORD

It's strange to think that I have hit the anniversary of taking over Blue Bricks Magazine. It was one of the best decisions of my life, and it's all thanks to readers like you who make running the magazine possible. I hope that you get a lot of value from what we produce, and I hope that this issue contains at least one golden nugget for you.

And so it should, because this issue is diverse! We cover everything from auctions to social media with hardened industry veterans and up-and-coming businesses that are taking the property sector by storm.

That's veterans like John Howard, an absolute gentleman and arguably one of the most experienced property investors in the UK. You might recognise him from *Sky TV*, since he's one of the judges on *Property Elevator*.

There are also some extremely valuable articles for experienced property investors. Hayley Andrews takes a straightforward approach to why you need to run your property portfolio like a business. Christopher Watkin gives an economist's viewpoint on how you can predict changes coming to the property market.

So, there is a lot for you to sink your teeth into over a hot brew!

May also marks the launch of our London event. Our events started in the north with little ol' me, and they've quickly spread across the UK. You can find which one is close to you by clicking "Networking" at the top of our website.

I'd love to hear your thoughts on this issue, just send me an email with the details below.

If you'd like to see your face featured in the magazine, then let me know. We would be delighted to hear your story.

Sam Cooke
Editor of Blue Bricks Magazine

sam@bluebricksmagazine.com
in **Blue Bricks Magazine**

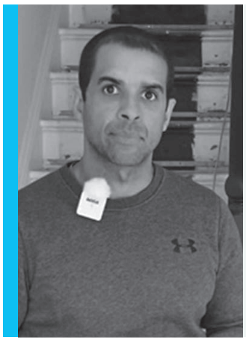
MEET THE COLUMNISTS

John Howard

John is a multi-author and highly experienced property investor and developer. Alongside being the previous majority shareholder of *Auction House UK*, John has also participated in hundreds of property deals across the country, as well as being a host on *Property Elevator*, a *Sky TV* show.

Hayley Andrew's

Hayley is an experienced property investor having participated in almost every kind of investment strategy. She is also the co-founder of Your Freedom Empire, an award-winning property training company, and a host on *Property Elevator*, a series on *Sky TV*.



Harvey

Also known as "The Remote Property Investor", Harvey specialises in investing in areas far away from where he lives. He's also a social media expert who has created a proven strategy to help property businesses grow their following online.

Joe Nicol

Joe is a Bradford-based property investor who has built a portfolio of high-end rent-to-serviced accommodation units in and around the city. He believes in raising standards in the areas he works in and creating beautiful units that give less fortunate people a nice place to stay for a cost-effective rate.

Ellen McDonald

Ellen went from being a schoolteacher to running a successful property sourcing business. Using her strong philosophy of always helping others, she quickly scaled to a six-figure business in just under a year.

Christopher Watkin

Christopher is a ghostwriter on the UK Property Market. Writing and advising 1000s of UK Estate & Letting Agents of what is happening to house prices, rents and the general direction of the housing market months in advance of Land Registry. He is also the host of the weekly *YouTube* series, 'The UK Property Market Stat Show'.

Malkit and Sanjay

Malkit Purewal and Sanjay Kumar are multi-award-winning developers from Savoys Properties who have been in the industry for 20 years. They specialise in HMOs/conversions and have won awards in three categories at the Property Investor Awards 2020 and 2021.

Tina Walsh

Tina developed a passion for law during her time as a police officer. So, when she moved into property sourcing, she was surprised at how unregulated the sector was. Tina has since made it her mission to raise standards for property sourcers and protect property investors from rouge agents.

Ben Quaintrell

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.

Ryan Windsor

Ryan is an entrepreneur and business strategist as well as the Development Director for WindsorPatania Architects and HMO architect. He brings extensive experience in property to his roles, including over 15 years of personal development and investment in his own portfolio.

USE CLASSES AND PERMITTED DEVELOPMENT RIGHTS FOR SHORT-TERM LETS WHAT IT MEANS FOR YOU

There have been recent grumblings from the government to introduce a use class for short-term lets. This legislation will cover England only and if it's put into place, then it means that rent-to-rent and rent-to-serviced accommodation units, will have to go through the planning process for approval.

This new change also includes the potential introduction of permitted development rights, for the change of use, from a dwellinghouse, to a short-term let and the potential for change of use rights, from a short-term let, to a dwelling house. It is likely that this will only apply to properties that are rented out as a short-term let, above a certain number of nights in a calendar year.

Although nothing is set in stone at the moment, it is important to know what conversations are being had, so that you can prepare your business in advance. There are pros and cons to this change coming into play and we'll cover these later in the article.

Why is this Happening?

It is becoming a matter of concern that the rise of short-term accommodation, in certain areas, may be having an adverse effect on the availability and affordability of housing, for the local population.

The legislation will likely be flexible in less-popular areas, where short-term lets are uncommon. At a guess, it will be these areas where permitted development rights are introduced, so full planning permission isn't required. The government are also discussing what the application fee will be, where planning permission is required for new-build short-term lets.

When Will this Happen?

Right now, it's all just speculation. An open conversation on the introduction of a use class and permitted development rights, for short-term lets, will be happening between the 12th of April, 2023 and the 7th of June, 2023. You can view the discussion and submit your thoughts on the Gov.uk website.

After this, a decision will be made and it is expected that a date will then be given for this use class to be put in place, if the government decide to go ahead.

Is it a Bad Thing?

For rent-to-rent and rent-to-SA providers, the new use class will make life more difficult. In short, it's another hoop that you must jump through and it might make the idea less enticing to landlords and letting agents.

On the bright side, it will reduce competition, as the people looking for a 'get-rich-quick' scheme, will likely be put off by the process. It will hopefully raise standards in the industry and keep more people accountable. If you're an established business that has been doing this for a while, then you'll probably have fewer issues going through the process, than someone with no experience.

It is both good and bad, depending on how you want to look at it. In our opinion, you should expect these changes to take place and prepare your property business for them. Then, even if the government scraps the idea, you haven't lost anything. But if they do go ahead, you're ready and your business won't come to a grinding halt.

This isn't certain, but it's highly likely that the change will only apply to new short-term lets. So, if you already have a portfolio full of them, then your existing investments shouldn't be affected.

THE MARKET PULSE

Stay ahead with us

KEEPING A FINGER ON THE PULSE OF THE PROPERTY MARKET

JILL STEVENSON

Spring Brings Growth in Mortgage Approvals

As house prices continue to fall on a monthly basis, property owners can rest assured that their bricks and mortar asset is still worth 6.3 per cent more, than this time last year.

And, as mortgage rates start to stabilise, the number of mortgage approvals is slowly starting to creep up.

The latest figures from the Office of National Statistics (ONS) show that house prices fell from 9.3 per cent in December, to 6.3 per cent in January. That made the cost of the average UK property £290,000 at the start of the year – a drop of £17,000, compared to January 2022. That's actually the biggest fall in property prices since 2009, say analysts.

On a regional basis, property in Scotland increased just one per cent year-on-year. Welsh property increased by 5.8 per cent, while the increase in Northern Ireland was 10.2 per cent. In England, the North East has the highest inflation at 10.1 per cent, with London the lowest at 3.2 per cent. Conversely, the North East had the lowest average property price at £163,000 and London the highest, at £534,000.

Mortgage Approvals Slowly Increasing

The number of individuals approved for a mortgage is rising, compared to the previous month (from 39,600 in January to 43,500 in February). It's the first rise in mortgage approvals in just over half a year. Having said that, it's still lower than in February 2022, when the number of approvals was 69,131.

The growth in mortgage interest rates, together with high inflation rates, had seen a dent in the number of approvals in recent months. But that's started to change, now that some mortgage rates appearing on the market, are actually less than the Bank of England's (BoE) base rates. The BoE increased rates by a quarter of a per cent, to 4.25 per cent at the end of March.

The BoE data also revealed that households topped up their savings in February. An additional £1.6bn was added to bank and building society accounts. That was on top of the £3.3bn deposited in January. This follows optimism arising from the last three months of last year where output rose by 0.1 per cent. It means the UK economy avoided plunging in to a widely predicted recession.

It's the first rise in mortgage approvals in just over half a year

SPRING IS TRADITIONALLY THE BEST TIME FOR PROPERTY SALES IN THE UK

House Prices Versus Salary Rate – Disparity Growing

Data from the website *money.co.uk*, shows that there is a 'mean salary to average house price' ratio of just over 1:9, in the UK right now. Not surprisingly – considering it has the lowest property prices – the ratio of average salary to average house prices is lowest in the North East at nearly 1:6. It's highest in London at just over 1:14. Next highest is the South East and East, both at a ratio of just over 1:12. Second most affordable after the North East, is Yorkshire and the Humber and the North West – both with a ratio of 1:7.

Number of Available Private Rentals Down

With such high price to salary ratios, the majority of young people and those on low incomes are renting. But the outlook doesn't look great there in terms of availability. That's because the number of properties listed, has slumped by as much as one third, over the past year and a half.

The main reason for this is that landlords can't afford to rent any more, due to changes in landlord legislation. Many have turned to the short-term rental market, such as *Airbnb*, in order to get better returns. Rival property portal *Zoopla*, says the number of short-term rentals it advertises, has risen by one third over the past four years. Other landlords have sold their buy-to-let properties and turned to more profitable money-making ventures instead.

The decrease in supply of rental properties has led to an increase in rents – of up to 11 per cent – according to new figures from *Zoopla*. This is based on findings from its portal (which accounts for around 85 per cent of all available rentals in the UK).

Spring is traditionally the best time for property sales in the UK, thanks to the better weather and the sense of the approaching summer, prompting owners to get moving. Whether spring 2023 will be a robust one or not, remains to be seen. Certainly, no-one's making any major predictions right now.

THE FINANCE PULSE

A quarter of the year has gone already and we are still recovering economically from Liz Truss's government and her mini budget, which happened in September 2022. The Bank of England raised the base rate to 4.25%, as of the 23rd of March, 2023 and the Governor, Andrew Bailey, added that, 'the bank is still very alert to any signs of persistent inflationary pressures'. This suggests that they will increase the base rate again, to try and control inflation.

Looking forward, Next CEO, Simon Wolfson, comments: 'The genesis of the problem is a post-pandemic supply-side squeeze.' He follows this up with: 'As those supply-side problems begin to ease, inflation is likely to ease and as long as there's no structural damage to the economy, we can see no reason why we shouldn't see quite a sharp recovery next year.'

From a mortgage approvals point of view, it's a 'mixed bag'. The Money and Credit report, from the Bank of England, shows an increase of circa 9%, comparing January 2023 and February 2023 – the first rise in approvals since August 2022. However, the amount actually funded has fallen to its lowest level since April 2016 (removing data that included the pandemic).

Martin Beck, the Chief Economic Adviser at EY Item Club, commented: 'The latest household lending data indicated continued weakness in housing market activity, albeit with signs that the worst may be in the past.'

I would argue, 'it's not all doom and gloom,' as good deals are still available on the market and lenders are trying to make mortgages as affordable as ever, reducing their margins and even some fixed rate term facilities, being just over the base rate. This suggests that there is an expectation of the base rate to lower in the medium term.

Lenders are still offering up to 75% LTV (loan-to-value ratio) in general, but some of them, including a few high street banks, are offering up to 90% LTVs. Obviously, these offers will be stress tested, but even in these cases, lenders are making these more flexible and reducing their stress test rate.

Personally, I am not seeing a downturn in BTL (buy-to-let) business. I am beginning to see an increase in residential property development. Many developers are coming back to the market with slightly improved confidence, with the BRRR route (buy, refurbish, refinance and rent) never really going away, as this has always been a way of adding value and rate of return on a property. There are always deals to be done, don't be afraid of speaking to your friendly finance broker, to help you navigate the current economic landscape.

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THE SCIENCE OF MARKET TRENDS

HOW TO ACCURATELY CALCULATE PROPERTY PRICE CHANGES AND MAKE INFORMED INVESTMENTS

The property market can feel like a rollercoaster. It can rise and fall in what feels like an instant. It can throw you into a loop, making you uncertain of what comes next. This rollercoaster ride scares many investors, leaving them worried about buying their next property, in case the market has a sudden change in the next few months.

However, with the right maths and analytics, you can smooth this rollercoaster out into a boring ride, where each rise and fall is predictable. Rather than relying on the news for your information, there are a few strategies you can use yourself, to calculate what the property market is going to do next. In this article, I'm going to show you how you can analyse upcoming changes in the market, while also breaking down some of the stereotypes that come with investing, that could stop you from losing a lot of money.

Common Investment Myths Busted

People obsess over the value of a property. This is especially tricky for picky investors, who would rather put off doing a deal, on the off chance that they can buy a property for £20,000 less, when 'the market drops'.

From an economist's point of view, I'll tell you that purchase prices don't matter as much as you think, especially if you're selling a property to buy another one. Let me explain.

Let's say you buy a two-bedroom terraced house for £100,000. Next door, there is a detached house selling for £200,000. Now, let's say that in five years, property prices rise by 50%. Not an accurate figure, but it gives us some easy maths to work with. Your terraced house is now worth £150,000. However, all house prices have risen, not just your own. So, the detached house that was worth £200,000 has also risen by 50%, meaning that it is now worth £300,000.

The gap always rises, so when you're selling one property to buy another, the state of the market doesn't matter as much as you'd think.

The UK needs 300,000 homes built every year, to keep up with the rising population. Since the year 2000, we have only managed to build an average of 150,000-160,000. While there is such a disparity in supply and demand, you can guarantee that property prices will almost always rise.

Another thing to note is that house prices will drop and this shouldn't scare you unless you're looking to 'flip' or sell it on, within a short time frame. If you're holding the property for 10-20 years, then it doesn't matter, as the prices will rise again over time. Looking at property prices when you're not selling, is like analysing your pension and panicking. Right now, it might be losing money, but that doesn't matter if you're not going to be touching it for another decade.

Landlords often complain that they are 'losing money', but in my opinion, this is part of the game. You never truly make money with a buy-to-let, until you either sell it years later or pay the mortgage off and have a positive cash flowing asset.

Are Recessions a Golden Ticket to Property Wealth?

2008 has had property investors waiting for the next recession like it's a winning lottery ticket. Although house prices are typically lower in economic hardship, this doesn't necessarily mean you save money.

So, let's say a recession hits and property prices drop by 20%. You might save £30,000 on a house that is worth £150,000. But in a recession, banks usually ask for bigger deposits and higher interest rates. This means that you must invest more money upfront and the criteria for getting a mortgage becomes harder.

If you look at how long you will be paying this interest and combine it with the large deposit, you'll find that you haven't saved yourself any money and that the £30,000 'saved' had to be paid in other ways. In reality, the purchase price of a property doesn't matter, so long as you get it at market value or lower, because you don't feel the benefits until you come to sell the property. If you're passing your property portfolio to your children, you might never feel the benefit at all! Strangely enough, it sometimes works out cheaper to buy an investment in a rising market with low-interest rates than in a declining market with high rates.

Using Local Comparables to Predict Market Movements

Properties normally sell quite close to their asking price. As a rule of thumb, a home will sell 2-3% below what a vendor asks for on the open market, providing they haven't overvalued it. So, if you want to know how much homes are selling for in your area, look at properties sold subject to contract (SSTC) and deduct 3% from the asking price. It's not 100% accurate, but this gives you a good foundation.

There is an easy way to analyse whether you are in a buyer's market or a seller's one. All you need to figure this out, is access to the internet and *Rightmove*. Then, follow this process and calculation.

Go onto *Rightmove* and search in the area that you want to buy, like Manchester or London. Make sure that your search is set to your specific investment strategy. So, if you only

Christopher Watkin

invest in two-bedroom terrace houses, then make sure you're not being shown detached properties or bungalows.

Then, filter your search and tick the box that shows you properties sold subject to contract. Add up how many properties are available and how many are SSTC and write the total down. So, if five properties are available and five are SSTC, write down 10.

Then, untick the STTC box. This time, only write down how many properties are currently available to buy in your area.

Now, deduct the number of properties available from the first number you wrote down. For example, let's say 10 properties are showing, but three of them are sold subject to contract. You would deduct 3 from 10, which gives you 7.

This means that 30% of properties are selling, and 70% of them are still available. Statistics show that if more than 33% of properties are selling, then we are in a sellers' market. However, if less than 33% of properties are selling, then we are in a buyer's market.

Another way to calculate this is to log on to *Rightmove* and write down how many properties are currently available. Check-in every two to three weeks and repeat this process. If you notice that the number rises every time you check and more properties are being listed than are selling, then there is more supply than demand, so we're in a buyer's market.

Using Emotion to Buy at a Discount

Two types of people sell their homes. Those that need to sell and those that want to. As an investor, your best deals will come from finding homeowners who need to sell.

A common one is a family that needs to move locations for their children, so that they can reach the catchment area for a different school. In this instance, the homeowner is likely to accept a discount, provided you can give them what they need; a quick sale.

If this was the case, I would make my offer as follows: "Hello Mr estate agent. I want to make an offer on 123 Made Up Street. Would you mind asking the vendor if they would accept a 10% discount, if I can guarantee 100% that I'll complete the sale within a month?"

Attaching emotion to your offers and talking in the seller's interest, is a far more effective way of securing deals than blindly offering below the asking price.

Best of Luck in Your Journey

I hope that my article has provided you with some valuable insight into property economics and helped you to form some ideas on how you can predict what changes are happening in your local housing market.

For more insight into all thing's property, follow me on my socials or get in touch using the information below.

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ALTHOUGH HOUSE PRICES ARE TYPICALLY LOWER IN ECONOMIC HARDSHIP, THIS DOESN'T NECESSARILY MEAN YOU SAVE MONEY

NAVIGATING THE PROPERTY MARKET TO FIND THE BEST DEALS

A LETTING AGENT'S INSIDER ADVICE

Being a letting agent and a property investor gives me a unique perspective. It's like performing on a stage and being in the audience at the same time. You get a behind-the-curtain glance into the world of selling and managing property, while also understanding the frustrations of landlords.

In this article, I'm going to use my 20 years of experience investing in and managing properties, to give you some hidden tips on how you can find the most profitable deals in today's volatile and competitive market. This includes finding off-market opportunities and discovering hidden gems, that you might have previously written off as being poor investments.

But before we do that, let's jump into the main argument against letting agents.

Money for Old Rope

This is an argument I've heard a few times over the years, where landlords pay their management fee and then feel like the agent does nothing for them.

A recent government white paper showed that 80% of landlords self-manage. Maybe it's because of the reason above or, maybe it's to save a few quid.

A LOT OF LANDLORDS MAKE THE MISTAKE OF NOT INCREASING THEIR RENT BECAUSE "THEY HAVE A GOOD TENANT". THIS IS A HUGE MISTAKE

In my opinion, it is impossible to self-manage a property, unless you spend a significant amount of time learning the legalities. Did you know there are 167 legislations relating to renting and managing a property...? That's a lot of reading!

Even more frightening, if your safety certificates aren't up to date or your paperwork isn't in order, then you cannot give notice to a tenant, i.e., you can't evict them. The problem is, you will never know if your paperwork is in order, unless a tenant stops paying or you must make them vacate the property. You could be using inadequate paperwork for years, only find out when it's too late.

If you have been self-managing for years and using the same contracts, then get them checked immediately. As an investor, you will have an issue with a tenant at some point. You need to know you're both legally protected when this happens.

Below Market Value Rent can Prevent Property Sales

A lot of landlords make the mistake of not increasing their rent because "they have a good tenant". This is a huge mistake for a few reasons. Firstly, you're running a business, not a charity. If you feel bad, then make money and donate it to charity afterwards. You're an investor, so you want to make a return on investment. You can't do that if you're not making enough profit each month.

Secondly, you cannot sell a tenant-in-situ property if your rental income is below market value. Why would another investor want to buy your property, if the rental income is £200 below local comparables? This creates a sticky situation because it's illegal to suddenly raise a tenant's rent above a certain percentage. Also, you can only increase rent every 6-12 months, so you'll be stuck with lots of little rental increases over a few years, to get yourself back to market rate, which is sure to annoy your tenant.

Turning 'OK' Deals into Profitable Investments

One of the most successful strategies I have seen, is to convert two-bedroom properties into three-bedroom homes. There are a few ways you can do this, the most common one being a loft conversion. Another approach you can take, is to move the bathroom, so that you have space to add another smaller bedroom. A good indication that you can add a third room is if the property has a large master bedroom with two separate windows. The chances are, that you can put a stud wall directly between those windows, to give yourself that extra space.

Once this is done, you can then refinance the property as a three-bedroom house, rather than a two-bed, so you can pull most of your money back out. You'll need to calculate the expected uplift in value and then calculate how this will affect your refinance first though. »

This strategy also works well on council estates. Four-bed family homes are practically unheard of in these areas, so if you can convert a three-bed into a four-bed, you're onto a winner.

What is the Best Way to Find Deals in the Current Economy?

First of all, don't be put off by a good refurb. Know what problems are easy to solve and which ones will cost a fortune. Experience will tell you this, but if you don't have much of that, then take pictures on your viewings and show them to builders or established investors. Things like damp, black mould and some cracks, commonly put investors off, but in most cases, they're nothing to worry about.

Ben Quaintrell

If you're struggling for deals, then are you being too cutthroat? You'll rarely get ALL your money back out when you refinance. Sometimes, it's worth looking at smaller deals, with a six or seven percent yield, because it's still better than the interest being offered by the bank.

Off-market deals are by far the best opportunities. An easy way to pick these up, is to wander around your investment area. Find old buildings that are boarded up or abandoned. Then, note the address and look them up on Land Registry. This will give you the details of the owner and you can write them a letter.

You can also find some great opportunities through agents, if you don't annoy them. If you're the kind of investor who is always haggling on price, even when you've already got a good deal, then estate agents won't want to work with you. This is especially true for rent-to-rent and rent-to-serviced accommodation providers. In today's economy, we're not struggling to let houses. We don't need to ask the landlord to knock £100 off their rent.

Agents are more prone to working with investors who want them to fully manage any new properties they buy. So, if an agent sells you a property, they get paid by the vendor and then they get paid by you in management fees, they're going to be much more inclined to pass you the next deal than 'Joe Blogs off the street' who wants something for nothing.

One Last Golden Nugget

A telling sign that an estate agent has a good deal, is if they have a listing that has no pictures, or just one picture of the exterior. This typically means that either the property is an absolute wreck, or the agent can't get in because the tenant won't grant them access. Either way, those are two things that would motivate a vendor to sell, for a discounted rate.

If you want any more tips on growing your property portfolio in today's economy, then contact me on the details below or follow my socials for more advice.

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HOW TO GO FROM BEING A 'PROPERTY PROFESSIONAL' TO A PROFITABLE PROPERTY BUSINESS

HAYLEY ANDREWS

You will come across individuals from all walks of life and all levels of education, from zero to hero; those that have inherited a ready-made business or portfolio from parents, from being educated at Oxford, to never graduating secondary school. The thing I love about property and business is anyone with the right drive, grit and determination can do it, regardless of their background, upbringing or level of qualifications – if you put a stake in the ground and take action with the correct knowledge, there is no limit.

You don't have to be able to spell entrepreneur to be one, but you do need certain skills, balls of steel and key attributes. One of those key attributes is to identify opportunities and take advantage of them, to make a profit and also being able to weigh up the risk versus the reward. Entrepreneurs solve problems and act. If you can solve problems, you can make money in this business and any other. That's what this article is about. It's about transforming yourself from a solo entrepreneur, into a serious property business owner.

My name is Hayley Andrews, I'm one of the co-founders of *Your Freedom Empire* – an accredited, National LIS (Landlord Investment Show) award-winning property training organisation, based in the UK. I've been investing since 2002, adopting many different strategies ranging from BTL's (Buy-to-Let) SA (Serviced Accommodation) HMO's (Houses in Multiple Occupation) Commercial, Distressed, Developments, Lease »

Options, R2R (Rent-to-Rent) Listed Buildings and Car Parks. I'm a multiple business owner, a global property mentor, international speaker and a regular property expert on *SKY TV* and the newest 'Angel' on the hit TV show *Property Elevator*. I've been named one of the UK's most inspirational female entrepreneurs, I'm on the board of several educational trusts and a trustee of three Historic Building trusts. I'm passionate about property and business and I love a good challenge. My motto is, "Investing today for a better tomorrow," – whatever the asset. As they say, "variety is the spice of life," I like to keep things moving and I'm not afraid of challenge.

But that's enough about me, let's get started. So, we have the spirit, we've got the balls and were ready to take action, what's the first step you should take to start your property business on the right track?

Hayley and John hosting the popular series, Property TV

First Things First – You Need to Write a Business Plan

Just like any business, a property business needs a clear and well-defined plan. This includes setting goals, creating a strategy and outlining the steps you need to take to achieve those goals. Your business plan is specific to you and your own vision, it should include your short-, mid – and long-term investment strategy plan, financing plans, expected returns, timescales and milestones. Put this into your diary, set reminders, set dates with yourself and hold yourself accountable – only you can make this plan reality. I'd recommend doing a two-year, five-year and ten-year plan. Many people skip over this first step and in my experience, those that fail to plan, are the ones who fail! I love the quote, 'For tomorrow belongs to the people who prepare for it today.'

Without a clear business plan, you'll be operating blindly and it will be difficult to track your progress. Therefore, it's essential to have a solid business plan, which guides your investment decisions step-by-step and helps you stay focused on your long-term goals. A property business is not just about buying and selling properties. It's a business and should be treated as such. By having a clear business plan, staying on top of your finances, treating your tenants as customers, embracing technology and networking with other property investors, you can achieve long-term success in the property market.

Understand Your Financial Situation – Options, Profit and Net Cash Flow

A successful property portfolio is one that generates consistent cashflow. It's essential to keep a close eye on your finances. This means monitoring your expenses, tracking your rental income and ensuring that you're making a profit. We're in this business to make money, not to collect property. Don't get caught up by the number of properties you own or the capital value of them, keep your eye on the bottom line.

There's a difference between someone who buys property and a property investor or entrepreneur.

MANAGING A PROPERTY BUSINESS CAN BE CHALLENGING AND TIME-CONSUMING, TO SAY THE LEAST. IT'S ESSENTIAL TO HIRE THE RIGHT TEAM TO SUPPORT YOU

You can be asset RICH but cash poor – remember you are a property investor; your role is to identify opportunities, take action, solve problems and make money, NOT to collect properties to massage your ego. Cashflow is KING and without it you don't have a business.

To achieve financial success in the property market, you need to have a good understanding of financial management, knowing how to budget, manage your cash flow and invest in properties that generate consistent returns. I always say, "Investing today for a better tomorrow," that can be time, money, people, knowledge – make it count.

Network with Other Property Investors and Professionals

Your Network is you net worth. Property is all about people and networking is key. It's important to surround yourself with like-minded individuals on the same journey as you. Property and success can be a lonely place. By connecting with other property investors, you can learn from their experiences, share ideas and gain valuable insights into the market, new and quirky ways of maximising your profits and making good solid property friends, who can be a shoulder to cry on when things go wrong or a voice of reason when you need it most. Not sure who this quote belongs to, but I love it anyway, 'You can go fast alone but if you want to go far, go together.'

Hire them SLOW and Fire them FAST

I will tell you now, not everyone you work with is a keeper! You will like working with some people and not with others (that's ok, property is a bit like dating and you have to find your people) and you will hire people that have the qualifications but just don't do the Job – it really is trial and error to a certain extent, until you have your good, solid team and track record behind you. You can do the best due diligence in the world but when you're working with people, you can never fully mitigate risk, you can only try and minimise its impact as much as you possibly can because people, by their very nature, can never be 100% trusted – humans make mistakes. Take it all with a pinch of salt and move on. Hire them slow (do your correct due diligence, take your time in the selection process, get references, check out their work and their books, their company, insurance, contracts etc., etc.,) and make a decision, BUT and if at any point, the relationship is not working for you and there maybe multiple reasons why, GET rid of them quickly and swiftly and learn from your mistakes.

Managing a property business can be challenging and time-consuming, to say the least. It's essential to hire the right team to support you. This may include property managers, accountants, solicitors, sourcing agents, architects, project managers, planning consultants, builders, trades and many other professionals. By hiring the right team, you can leverage their expertise and experience, to help you manage your portfolio more effectively. This will also free up your time to focus on other important aspects of your business, such as finding new investment opportunities and working on the parts of the business that excites you and gives you energy.

Conduct Thorough Market Research

Market research is critical in setting up a business. It helps you understand your target audience, your competitors and the demand for your product or service. Well-conducted market research will help you identify your niche, develop the right pricing strategy and create a marketing plan that attracts tenants, guests and corporates – AKA, our customers. Area research, property research, competition, supply versus demand, who is your target audience and what's the market done, doing and forecasted to do? You must identify where you are in the market cycle and adopt and change with it. A great book to read on this topic is *The Secret Life of Real Estate & Banking* by Phillip J Anderson. Look into what external factors may affect your short and long term plan or goal. Look at big picture macroeconomics and little picture microeconomics. No amount of research, regardless of what it's on, is wasted – it will do one of two things; show evidence for or against. It's up to you to listen to your research and trust your gut. Research is like a jigsaw puzzle, you throw all the pieces on the table, find all the flat edges and then start piecing it together, to make up the bigger picture. If the picture isn't clear, you need to either walk away or do more research until it is clear. By having a clear picture you are making an informed decision and understanding what risks you're taking. Remember, you can never take risk away, all we can do is understand our risk and either take it or not.

Choose the Right Legal Structure and Take Professional Advice

Selecting the right legal structure for your business is crucial. It affects how you operate, how you pay taxes and how you protect your assets. The most common business structures include sole proprietorship, partnership, limited company (LTD) limited liability company (LLC) and corporation. Each structure has its benefits and drawbacks and you need to choose the one that best suits your business needs. Always speak to your tax advisor and accountant about what your short – and long-term plans are for the business, so that you can set up the right structure going in, but also make sure you have the best structure for your exit too.

Use Professional Advice

Setting up a property business requires knowledge and expertise in various areas, such as finance, legal, marketing, operations and structure. Engaging the services of experienced professionals, such as solicitors, accountants, and business or property coaches, can save you time, money and headaches in the long run. Professionals collapse timeframes – pay your advisors well and get educated. »

Stay Resilient

Building a successful business requires persistence, hard work and resilience. You will face challenges, setbacks and failures along the way. But staying focused on your vision, being open to feedback and learning from your mistakes, can help you stay the course and achieve your property and business goals. Below I have included a bonus of my 10 short core rules to investing:

Bonus: 10 Rules of Investing in Property

1. Make money in the BUY and buy with a view to sell – buy below market value and don't buy a problem that you can't solve – simples!

2. Always add value – solve a problem, force appreciation, do an extension or a refurbishment, improve the revenue and management, add planning gain etc., Understand your risk and factor that in – force the appreciation.

3. Set your benchmarks and key metrics. What are your key benchmarks? Timeframes? Desired returns and profit margins?

4. Make offers – 30-40 offers out at any one time. Keep a spreadsheet maintained and follow up with agents and vendors – build that relationship. A "NO," can quite often become a "YES." Persistence and follow up is key to success.

5. Surround yourself with property professionals and advisors – tax advisor, solicitor, finance brokers, architect, quantity surveyor (QS) project managers, lettings, management, estate agents and sourcing agents. Always do your due diligence on your 'Power Team'.

6. Research is KEY to success – know what and whom you're getting into bed with – area research, property research, competition, supply versus demand, who is your target audience and what type of market are you currently in? Are there any external factors that may affect your short – or long-term plan?

7. Have exits – always have at least two exit strategies, that way if your primary exit strategy doesn't work, you have a backup plan that you are happy with. Minimum of two exits and no maximum – the more exit options the better.

8. Have integrity – there are a lot of great people in our industry but unfortunately there are a lot of sharks too – don't be one of them. Karma is the ultimate BITCH!

9. Be Legal – there are a lot of ways to duck and dive, cut corners and do things on the sly, BUT above all, always be legal and remember, if it costs you your peace of mind, then it's too expensive!

10. Remember – KNOWLEDGE IS IN FACT POWER, ATTITUDE IS EVERYTHING BUT ACTION IS MOST DEFINITELY KEY.

Let's Make It Happen!

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THE FOUR GOLDEN RULES TO BUYING AT AUCTION

HOW TO KEEP YOUR CAPITAL SAFE

JOHN HOWARD

As the market continues to soar and competition grows ever higher, property investors and developers must look for alternate means of finding deals. The open market is becoming saturated and while good opportunities can still be found in abundance through estate agents, it is becoming harder.

Auctions provide the perfect alternative. They are still a 'free' platform for finding opportunities, without you needing to spend hundreds of pounds on handwritten letters and are a hub for motivated sellers, who prioritise a quick sale, over receiving maximum value for their land or property.

However, many investors fear auctions and avoid them for numerous reasons, many of which are myths or worries that are easy to overcome with preparation, like the fear of bidding on a property and not being able to find the funds afterwards (a bad idea which I'll cover later in this article).

After being the majority shareholder of *Auction House UK* for over a decade and growing the business from six franchises to over forty, I have seen 'the good, the bad and the ugly' when it comes to the auction process. I can honestly say that they are one of the best places for investors to find deals, despite the myths and fears.

In this article, I'll give you my insider secrets for buying at auction and give you some easy guidelines that you can follow, to keep yours and your investors' capital safe, before the hammer falls.

Humble Beginnings

I've been investing in property for over 40 years and I have bought and sold over 4,000 buildings, in over 80 different towns and cities across the UK. This is alongside converting over 15 different types of buildings, ranging from piggeries to chapels.

Outside of investing in property, ripping it apart or building it from the ground up, I'm part of two shows on *SKY TV*: *Property Elevator* and *Property Graduate*.

This long list of experience has come with its pains and problems (which are part and parcel of being a property investor) but it also stems from humble beginnings.

My journey started with a tape measure. It was my job to hold the tape measure for my father on property viewings, while he was running his estate agency business. This was a bit of an odd start, as my dad's decision to get involved in property happened abruptly, when he was around 60 years old. Before that, he'd spent most of his life as a greengrocer, so it was quite the change!

Unfortunately, when I was around 17 years old, my dad became ill. It was my job to run the business while he recovered, so I was dropped in at the deep end, at a young age. However, I have always said that being an estate agent is like having an apprenticeship as a property investor. It teaches you the nuances of how properties are bought and sold. In a way, it gives you a behind-the-scenes glance at how it all works. »

Using the money I'd made from working and combining it with a loan from the bank and money borrowed from my mum, I managed to buy my first investments when I was 18. This was two apartment blocks, which I then rented out.

I'm fortunate to have had this upbringing and to have been involved in property for as long as I can remember. However, I still believe that success in the industry can be achieved by anyone, provided they take the right steps and run their portfolio like a business, rather than a hobby.

YOU SHOULD HAVE YOUR FINANCE READY BEFORE YOU PLACE A SINGLE BID. YOU ALSO NEED TO MAKE SURE THAT YOU NEVER BID MORE THAN YOU WORKED OUT YOU COULD AFFORD TO PAY

Show Me a Property Developer Who Has Never Lost Money

One of the main reasons I have been able to complete so many deals, especially so many big ones, is that I have financial backers. I'm fortunate to have wealthy partners, who have been investing with me for over 30 years, so I've never had to go out there and ask for finance. If I had to give advice, then I'd tell you to do the same. Try and find partners to work with on multiple deals over the years, rather than just working on one project at a time with lots of different people.

The key to keeping these relationships is to be transparent and quick with communications. When something goes wrong, relay the information quickly and resolve things immediately. Something always goes wrong in property, so it's not about never losing money, it's about resolving problems the moment they arise.

As I always say, "Show me a property developer who has never lost money, and I'll show you a liar!"

Using Auctions to Predict Market Changes

Before we continue into the main bulk of the article, here is a little secret I have learnt about auctions: any change that will happen in the property market, is reflected in auction prices, six months earlier.

So, if the market is going to rise, then auction prices will show you this six months before it happens. The same principle can be applied when we are about to see a drop in the market. If you learn to read the signs early, then you can make a lot of money as an investor, especially when we're coming out of property recessions.

The Four Golden Rules to Buying at Auction

Alongside running *Auction House UK*, I have also bought hundreds of deals from auctions and have been using them as a means to pick up new assets, for over 40 years. Throughout this time, I have created four golden rules that will keep your cash safe when bidding on your next investment.

These are:

1. Always View a Property BEFORE Bidding on It

Buying a property without viewing it is a sure-fire way of losing money. You need to see the things that aren't clear in pictures, like hidden cracks in the walls or tiles missing from the roof. The viewing will give you a clear indication of what is wrong with the property and whether it is something you can fix.

Typically, you will only get one chance to view the property before the day of the auction. If possible, bring a builder with you. If you can't, then just remember that very few projects finish on time and within budget. Inflate your costs and overestimate how long it will take you to complete your refurb, if one is needed.

Finally, remember that you are in a competition. Do not go into the property auction telling the auctioneer and all the other people at the viewing, how excited you are to buy it and what a good deal it is. Too many people forget this factor. Property isn't a hobby. If you get it wrong, then you could lose your house. There is nothing wrong with being nice but remember that you're 'in it to win it'.

Put people viewing the property off. Suck your teeth. Complain to yourself or your builder out loud. Point out the big crack in the wall. The fewer people who decide to bid, the lower you're likely to secure the deal for.

2. Find Out Why the Property Is Selling at Auction

There is always a reason that a vendor is selling their property at auction, rather than through an estate agent. Find out why that is.

What you need to do is find out what the problem is, then figure out if it's a problem you can solve. For example, if the property is selling at auction because it's in dire straits, then is this something you can fix with a refurb? If so, then it's a potential deal. However, if the problem is structural and you don't know how to fix it, then bow out early and don't bid.

One thing to stay away from is part-finished projects, unless you're very experienced. You can uncover all kinds of nasty surprises and typically speaking, banks don't like to lend on them.

3. Have a Professional Read the Legal Pack

Out of the hundreds of properties that I have bought at auction, I haven't read a single legal pack. Use the right tools for the job, as the saying goes and the right tool for this job is an experienced solicitor.

Legal packs can contain almost anything, including hidden information that will tell you why the property is selling at auction. You might also uncover information that warns you against any potential dangers that could make selling or renting the property difficult, once you have purchased it.

Make sure that your solicitor reads through the pack and tells you of any information that might affect your investment, positive or negative.

4. You MUST Have Funding in Place

"Even a blind squirrel finds the occasional nut!" This saying applies to investors at auction who bid on a property without having finance in place. Occasionally, there is that one person who manages to secure finance after the hammer falls. However, this is a dangerous idea and it goes wrong for many people.

Don't play Russian roulette at auction, you could bankrupt yourself. When you walk into the auction room (or log in online these days) you don't have any problems. Make sure that you don't walk out with one you can't solve.

You should have your finance ready before you place a single bid. You also need to make sure that you never bid more than you worked out you could afford to pay before you started bidding. For example, if you enter an auction knowing that you need to secure a property for £200,000 to pay your investors back and make a profit, then do not go above this figure. It sounds like common sense, but it's easy for emotions to take control.

Other Hidden Secrets You Need to Know

One thing that catches a lot of people out is conditional auctions. You need to carefully analyse the special conditions on these, especially the part that outlines the fees, because they're higher than traditional auction fees. Some of them can be as high as 7%, which can be a lot of money. Don't let this catch you out unexpectedly.

It is common advice to say, "Buy with your head and not your heart." However, in the heat of the moment, it is easy to place those extra one or two bids.

I've developed a system that helps me to avoid this, while also helping me avoid the "what if I just placed one more bid?" regret. I call it the 2% rule. This is a rule where I agree with myself that I won't pay anything more than 2% over what I originally worked out. It's helped me to avoid a lot of mistakes and a lot of regrets.

Like many things, auctions are moving online. However, what most people don't realise is that the auctioneer can see when your hand touches your mouse or touchpad. If you're on your computer and making a bid online, then keep your hands away. Otherwise, the auctioneer will know that you are debating making another bid.

Sharpen the Axe

The last saying I will leave you with is, "Give me six hours to cut down a tree and I'll spend the first four, sharpening the axe." This is true with auctions. Many people stay away from them out of fear and I'll be honest, I'm glad. It means less competition for us! However, this fear can be overcome by preparing before you place your bid.

Make sure you know what you can afford and don't pay a penny more than this. Have the right professionals around you, who can sound the alarm if there is any hidden information that could sink the deal. Have everything in order before you place your bid and remember, don't walk away with a problem.

Following the four rules outlined in this article will help you to stay safe in the auction room, but the key is to follow them, even when you get caught up on that 'dream deal' and want to go just a little higher with your bid. It's a dangerous game. Never forget that.

If you want to learn more about me, book on to one of my upcoming seminars or ask a question about this article, then get in touch using the details below. I'd love to hear from you.

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NAPSA

THE NEW GOVERNING BODY THAT IS 'CLEANING UP' THE PROPERTY SOURCING SECTOR

In 2011, with my children quickly growing up and one by one leaving home, I decided that the time was right to leave my executive role in the healthcare sector and look for something else to occupy my time. Both my husband, Tony and I, had previously invested in property and had a dream of creating a business in that sector, although having no idea what that would be!

Right from the beginning of the journey, whilst studying the sourcing sector over a period of ten months or so, I discovered that there was no one place to go for information or help and certainly no guidance about the different legislation and regulation that would have to be met, when setting up a sourcing business. Sourcing was and still is, seen as an 'easy in' to the property investment sector, low cost, easy set-up and fast cash.

After being rejected for membership by several professional associations, I made the decision that the only other option was to do something about it myself; a mission to change the sourcing sector, provide that guidance and support that was missing, while helping to protect the investors!

The Problem

The main problem stems from the lack of access to credible and accurate information, specifically for the sourcing sector and also the huge amount of misinformation about what operating a legal, professional and compliant sourcing business actually looks like!

Most 'Deal Packaging' or 'Property Sourcing Courses' teach the basics about insurance and required registrations; what they don't appear to make clear, is that you're signing up for 'supervision' and exactly what that means for your business.

The topic of 'co-sourcing' is an example of this, as sadly, the advice often given is that you can co-source with another agent until you can afford to get 'compliant'; this is simply not true and is leaving a lot of sourcing agents vulnerable to heavy fines; it is ILLEGAL to operate as a sourcing business, without FULL compliance in place!

Initial Sourcing Business Setup – Legally Required

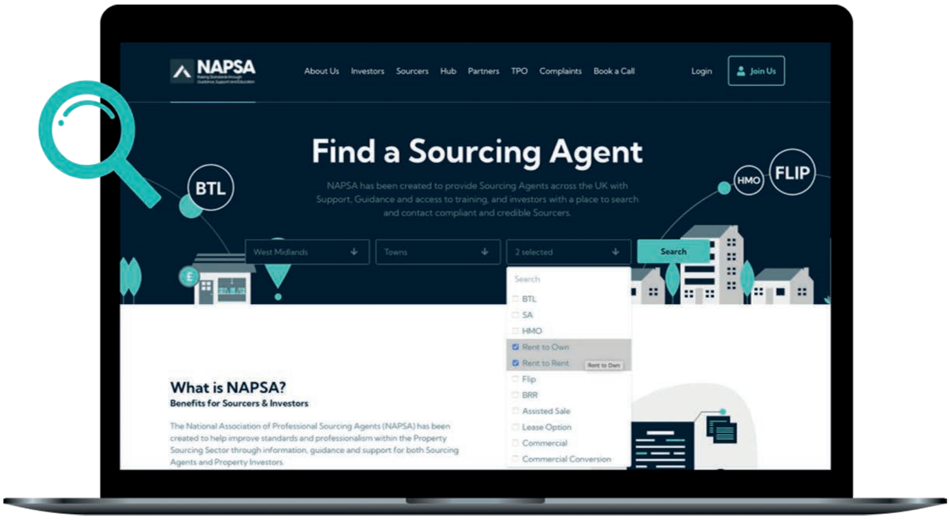
1. Professional Indemnity Insurance (PI) – Professional Insurance Cover.
2. Property Redress Scheme – Redress Supervision.
3. Information Commissioners Office (ICO) – Data Protection – Supervision.
4. HMRC – Anti-Money Laundering – Supervision.
5. Training: Data Protection and Anti-Money Laundering (at least annually).
6. Required Documents:
   a. Data Privacy Policy.
   b. Anti-Money Laundering Policy.
   c. Anti-Money Laundering Risk Assessment – Overall Business.
   d. Anti-Money Laundering Risk Assessments – Buyers and Sellers.
   e. Anti-Money Laundering Procedures and Controls – Buyers and Sellers.

Tina Walsh

7. Good understanding of how to operate day-to-day and meet the minimum standards required under all regulation.

The Insurance and required registrations for a sourcing business will cost in the region of £1,100 per year, this does not include the cost of any legally required documents or any training to understand how you should be operating day-to-day.

The cost of documents could run into the thousands, dependent on where they are acquired. What should be remembered, is that no one document is fit for purpose for multiple sourcing companies, each company's client profiles and investment strategies will differ, as should their documentation to reflect this. »



NAPSA's new website

Day to Day Sourcing

What a lot of sourcing agents don't realise, is that the set-up of the business is only the start of the journey; understanding how you must operate day-to-day and client-to-client is essential, not to just meet minimum standards, but also to provide a consistent, professional service for those clients.

A good understanding of the following is essential:

- Assessing your business model for risks.
- How to assess each client for the risk they pose to your business.
- The difference between 'low' and 'high' risk clients.
- How to monitor your clients for important changes.
- Politically Exposed Persons (PEPS) and Sanctions Lists.
- What HMRC consider as 'red flags' for money laundering, such as 'BMV' (below market value).
- The role of electronic checking systems, including any limitations.

As a sourcing agent, you should have a good enough knowledge of the sector to understand what meets legal standards or not. It is important to remember that it is your business and if any failings are identified, it is you, who would be held responsible.

The Mission and NAPSA

My mission is to 'clean up' and professionalise the sourcing sector, to improve how it is perceived, while at the same time, helping to protect those investors who want to use the services of sourcing agents.

To do this, I set up the National Association of Professional Sourcing Agents (NAPSA) Ltd. NAPSA works in partnership with The Property Ombudsman (TPO) as well as working alongside the Property Redress Scheme (PRS) and HMRC's Estate Agents Anti-Money Laundering Team, to help increase awareness and improve standards within the sector.

NAPSA – The Benefits

Sourcing Agents:

- Provides members with support and guidance around everything 'sourcing' related.
- Provides a unique marketing platform, to advertise their sourcing business.
- Members create and personalise their own company profile.
- Provides members with a 'Code of Practice', which sets the framework for NAPSA minimum standards.
- Provides access to discounted, ongoing training as required.
- Provides updates for any changes in regulation.
- Provides a trademarked member's logo.
- Provides a marketing pack for use on social media and websites, to advertise membership.

Membership costs have been kept to a minimum, with no further charges for communicating with investors, or any deals sold.

Membership costs: £195.00 + VAT per year, per company.

Investors:

- NAPSA does all the checks for you.
- NAPSA team manually check ALL compliance including documents, training and insurance.
- Investors can search NAPSA, free of charge, for a 'live' sourcing agent.
- Search using geographical location and or investment strategy.
- View the profiles of agents that match your search.
- View ALL compliance information for an agent – No need to check yourself.
- See if an agent charges 'fees' upfront – how much? When payable? If refundable?
- See a copy of the agreement that an investor would have to sign to work with them.

NAPSA is always looking for ways to provide members with better support, guidance and value for money. Some of the things in the pipeline for later this year and beyond:

- Live webinars with industry leaders, experts and other professional bodies.
- Insurance Pilot scheme – Looking to reduce costs for NAPSA members.
- Chat group for live members to work with other NAPSA members and legally co-source.
- CPD (continuing professional development) rated training.
- Members to maintain CPD hours.
- Professional qualification for sourcing agents.
- Continuous improvements to the member process and experience.

Personally, when I'm not sourcing, training or working to build services that NAPSA provides, I love to read, walk, work in our garden and drink wine, not necessarily in that order!

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UNDERSTANDING HOW YOU MUST OPERATE DAY-TO-DAY AND CLIENT-TO-CLIENT IS ESSENTIAL

"SERVE FIRST"

THE STRATEGY THAT HELPED ME SECURE 25 DEALS IN JUST OVER 12 MONTHS

The property industry has started to fill with people who either act unscrupulously or don't know what they're doing. In both cases, the results often end with investors like you losing your hard-earned money. I know this because it happened to me when I bought a rent-to-serviced accommodation deal from a property sourcer. Unfortunately, the sourcer completely mis-sold the deal, so I decided the ethical thing to do was to hand the property back to the owner, resulting in me losing a lot of the money that I had invested in it.

Using this negative experience, I decided to build my own sourcing business on one sole ethos "serve first" – an idea that my mentor, Alasdair Cunningham, drilled into me. This idea means that rather than trying to get people to buy from me or hand their properties over, instead I aim to help everyone I meet.


Ellen McDonald with mentor Alasdair Cunningham

This strategy has helped me to grow my business to 6 figure business in its first 8 months and, most recently, to hire my first member of staff. Regardless of which strategy you invest in, here is my advice for building a brand and business that grows through word of mouth. Not a business that makes lots of money and fizzles out, but a long-lasting company that creates generational wealth.

What Does "Serve First" Mean?

We all know that one person who only ever talks about themselves. It's exhausting. But, for some reason, this is how a lot of people run their businesses. They go to networking events and brag about how many deals they're doing. But what they forget to do, is tell the person they're speaking to, how they can help them.

Everyone you meet needs something. If you can provide for that need (within reason) then it's highly likely they'll want to help you in return. For example, I once spoke to a lady who was having a nightmare with one of her properties. Rather than using her difficulties for my own gain, I recommended a great serviced accommodation management company, because I knew this would be more beneficial for her. That lady is now a good client of mine. You don't have to pitch to sell to people. Just help them.

Finding Investment – You Never Know Who's in the Room

Most people go to networking events with the mindset of, "What can these people do for me? Who's got the money?"

This rarely works, especially if everyone else is taking the same approach. Instead, think, "What can I do for the people in this room?" By asking people what they're here for and what they need help with, you'll quickly find investors. In some cases, your investor might be time-poor and trying to save enough money to leave their job. It could be a landlord who has a property in their portfolio that is driving them up the wall.

By trying to help people, you get to the root of their problem. If you're a property problem solver, then you might realise that their problem can be solved by sourcing deals for them, or managing their property on a short-term let.

Even if by helping someone, you make no financial gain, that person will still remember you in a positive light and they're likely to refer you in the future.

The Power of a Personal Brand

I know people who have put off investing because they "need to get a logo sorted," or "build a brand first." The best brand you can build is a personal one and it's super easy to do. All you have to do, is be you! Post pictures of viewings and take videos of what you've been up to today. People buy from people and being real is the best way to attract investment.

I do this on *Instagram* and it's even how I've received some of my deals from letting agents. A few of them followed my page, liked what I was doing and then got in touch when a potential deal cropped up. I didn't do anything special, I just showed people what I do.

Finding Deals

The more experience you build and the more relationships you form, the easier finding deals becomes. If you manage to impress a letting agent, then it's likely they'll keep passing opportunities your way. At the start, when you don't have these relationships, it is a lot harder and takes a lot more time. But, always remember that your hard work will pay off in the end, when the relationships you have built are bringing you properties you didn't even ask about, or referring you to other landlords.

Two platforms that I used at the start were *OpenRent* and *Gumtree*. These are fantastic sites for finding tired landlords with properties that need some love. I used to send 120 messages a week to people advertising their properties through them, and I'd view as many opportunities as I could.

A lot of people will view two properties a week and then complain that they can't find anything. As annoying as it can be, you need to be making hundreds of enquiries to find the best opportunities. The more you have in your pipeline, the higher your chances of a lead converting into a deal.

Here to Help You

One of the things that I am truly passionate about is inspiring more women to start their own business. I want to help as many women as I can to succeed in property and build their own financial independence. If this article has helped you, or if you think that there is anything I can do to give you a hand, then please get in touch using the information below.

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THE SHORT-FORM REVOLUTION

A PROVEN SYSTEM TO GENERATE LEADS AND ENQUIRIES THROUGH YOUR SOCIAL MEDIA

I'm going to share with you the single most powerful thing you can do to accelerate the pace of growth in your property journey. This secret applies to you, no matter which strategy you use, whether that's buy-to-lets, investing or commercial conversions.

If you apply this secret to your property business, then you will accelerate your growth by 1,000,000%. You'll attract more leads and convert more customers. In property terms, this means you can find more private investment or be passed more off-market, direct-to-vendor deals.

So, let's jump straight in and reveal the secret that will revolutionise your business... Start building an online social media profile!

Harvey from Growth Properties

The Rise of Short-Form Content and the Fall of the Attention Span

At the time of writing, there is a small window of opportunity, which I believe may last only another year or two, where you can grow your online presence organically, using short-form content like *TikTok*, *IG Reels* and *YouTube* shorts.

One of the biggest pushbacks and excuses I get when I tell people to do this is, "I haven't got time." The beautiful thing about short-form content, is it does not have to be carefully curated or perfectly edited. The raw, authentic videos, shot straight from your phone, tend to outperform long, high-quality edited videos. If you are spending more than ten minutes creating and editing a short-form video, then you're doing it wrong.

Attention is the new currency. In a recent announcement to his company, Mark Zuckerberg openly said that, '*TikTok* is by far the biggest threat they've ever faced.' To deal with this competition, we've seen *Meta* companies, like *Instagram* (IG), heavily focusing on short videos.

As a result, *Instagram* is no longer the Instagram that it used to be. It's no longer about pictures, carousels and text.

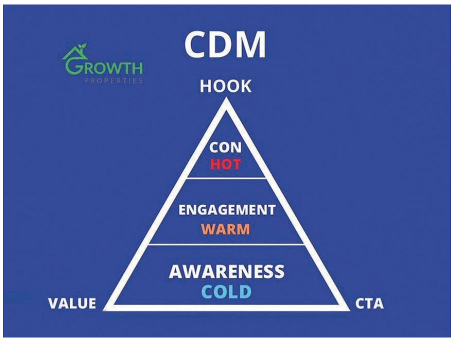
This isn't exclusive to *Instagram*. Sergey Brin and Larry Page, the owners of the two largest search engines in the world – *Google* and *YouTube* – also recognise this. In response, they brought in their version of short-form content, *YouTube Shorts*. As a content creator, this is a game changer, because before this short-form content revolution, if you wanted to go across multiple platforms and be omnipresent, you had to curate and create platform-specific content for each one. Now, you can share the same short-form content on each channel. With this simple action, you can get hundreds of thousands of eyeballs, watching what you're doing organically.

The average attention span is diminishing rapidly. According to *Cross River Therapy*, it's now 8.5 seconds (compared to 12 seconds in 2000). Also, the average time a person will spend watching an online video is 2.7 minutes. If anyone sees anything above five minutes, on the length of a video, it's highly unlikely that they'll click on it. This is why short-form videos, between 30 and 90 seconds, is perfect for getting you in front of people, to give them a reason to want to go and pursue your long-form content, if you're making any. However, you don't have to have long-form content, as you can generate enough business from short-form content on its own. If you do add long-form content to the mix though, you will benefit from increased momentum and power!

Growing Your Business With the Content Delta Matrix (CDM)

So, what is the caveat to this short-form content revolution? Because it is so organic and simple to create, we're getting more and more people coming into this space. Over time, it will slowly become saturated, naturally reducing organic reach. Unlike early adopters of this format, you must put a lot more thought into what you do to get the eyeballs on your videos. Early adopters of *TikTok* and *Instagram* Reels could post pretty much anything and get a massive reach. Now, even though you can still get reach, you have to create the right style of content in the right order, and I'm going to share with you how you can do that.

This is a concept that I've created called the Content Delta Matrix (CDM). If you look at the model below, the key ingredients behind content are: Hook, Value and Call to Action (CTA).



At the top of the triangle is your hook. The hook is the critical thing to get people's attention. If you don't hook their attention within the first few seconds, or maybe first half a second, the viewer will be swiping up and going on to the next piece of content, before you've had a chance to give any value. So, no matter how good the content is, without the hook, nobody will watch it.

Once you've hooked them in, it is vitally important that you deliver value. If you have a 'clickbait' hook followed by nothing noteworthy, people will scroll away from what you are showing them.

Finally, your 'Call to Action' is vital. The social media platform algorithms care about the total 'watch time' on your content, but they also like to see engagement on your post. Your call to action is the opportunity to encourage them to engage, whether that's liking the post, commenting or even following you for more tips. However, this shouldn't be a sales pitch.

Taking Your Audience from Cold to Hot

Note that on the Content Delta Matrix CDM, at the bottom you have cold, just above that you have warm, and above that hot. Your job is to take audiences from cold to warm and warm to hot.

It's rare to be able to sell to cold audiences. Before you sell to someone, you need to build trust and awareness, so the objective with cold audiences isn't to sell, but rather to have them become aware of what you're doing and the value you deliver. The next level up is engagement. After someone becomes aware of you and your content, the next step is for them to engage with it and think more about it. Only then, once they're actively engaged, can you think about getting them to convert and buy from you. Ninety percent of your conversions should be from sales funnels, webinars, in your direct messaging (DMs) or on calls. The objective of your social media is to progress potential leads forward, so that you can get them on calls with you.

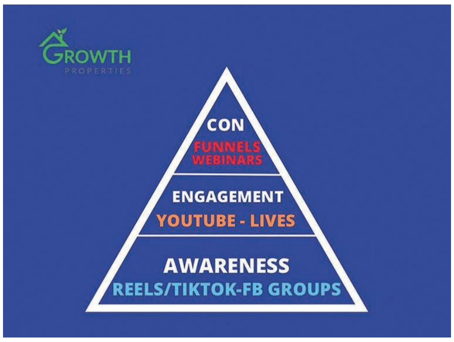
The most powerful way to progress people is via sales funnels and though that's an article for another time, I recommend going off and '*googling*' them if you haven't heard of them before. You will thank me later if you start learning how to use these tools in your business.

So, looking back at the delta matrix again:

For your foundation of awareness, at the cold audience level, we have your *Instagram* reels, *TikToks* and short-form content.

For increased engagement, we have long-form *YouTube*, *Facebook* and *Instagram* Lives.

At the top level, for converting your hot traffic, we have webinars, funnels, chatting to people in your DMs and getting them on calls.



The key to this is that the hook, value and call to action, change slightly at each of the different levels.

To build awareness and get somebody interested, your hooks will need to be novel and curiosity-invoking. Although curiosity hooks work across them all, they're especially effective at this level. You can then follow up with delivering value using layman's terms and not too much technojargon. For example, in property, instead of saying BRR, I would say, "it's kind of like having some money that keeps on popping back into your bank, so you can keep on buying properties".

At the awareness stage, your calls to action would just be along the lines of, "if you liked this video, please give it a like."

As you go up to warm audiences and encourage them to engage, you would be placing more questions in your content, especially with your calls to action at the end. You could say things like, "what are your thoughts on this? Let me know if you're doing this slightly differently." You want people to engage with you.

For your hot traffic and hot audiences, you need to deliver value that's a little more focused on the how-to, and your call to action will be to sell the program directly or get the person on a phone call with you, depending on how high the ticket is. Only 10% of your selling should be done on social media, out of that 10%, 9% would be through your reels and stories. The reason I say this, is that stories only last for 24 hours. If people come to your page to learn and you seem like you are always selling, people won't follow you.

The 1% where you can actually sell from your profile, is by doing a clever call to action, asking people to DM you a certain word. For example, "If you're interested in working with me, DM me HOUSE" or, "If you're interested in learning more about this, DM me NORTH." This second example gets people into your DMs so that you can do something that I learnt from Tanner Chidester, called 'Conversation Conversions'. These potential clients are now pretty warm and moving them to your inbox, means you can convert them, by telling them what you've got for sale and maybe, getting them on a call if you're not selling directly.

Don't Let Fear Get in the Way

I used to tell myself that I didn't need to do this because it was easier than admitting to myself that I was scared. I heard Tim Ferriss say (though I'm not sure if he was the one to coin this quote) – "The thing you fear the most, is always the thing you need to do to most, to excel you forward in your journey." This applies to everything – money, fulfilment or otherwise. If you stay in your comfort zone, even if you happen to earn a lot of money there, you will not feel fulfilled.

Evolve your ideas and live on your own terms. I look forward to seeing your posts on social media and make sure you tag me @harveygrowthproperties. If you do your first post or got anything else useful from this article, please tag me to let me know and I'll also share it with my audience to help your reach!

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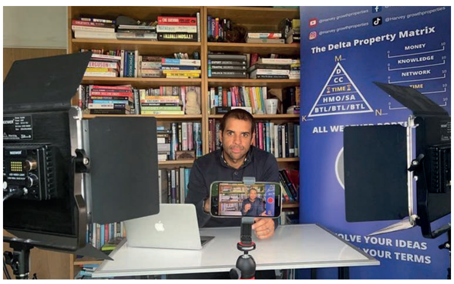



ALTRAD

THE TOP PROPERTY INVESTMENT STRATEGIES TO HELP YOU GROW YOUR WEALTH

SAVOYS PROPERTIES

The UK property market is an exciting investment opportunity that has the potential to yield attractive returns. From understanding property valuation and cash flow assessment, familiarising yourself with capital gains tax regulations and discovering new methods, such as converting commercial properties into residential ones, or taking advantage of market cycles – these are all essential factors for successful property investing.

In this article, we'll talk about some of the top strategies to help sophisticated investors, successfully navigate their way through the complexities of buying and managing property investments. Whether you're a newly minted investor or a seasoned pro, there's something here for everyone, as we explore just what it takes to make money in today's competitive real-estate climate! Key to all the strategies is comprehensive due diligence, as you'll see below.

Start With the Basics – Understand Property Valuation and Cash Flow

Understanding the basics of property valuation and cash flow are an essential part of a successful wealth-building plan. Without assessing the current value and the potential for future cash flow from a given property, you won't be able to make profitable decisions or accurately assess if an opportunity is likely to be worth pursuing. To truly understand the marketplace, it's important to be aware of market cycles, tax strategies and different types of commercial and residential properties. Conducting appropriate due diligence and researching comparables in a given area, can help to refine your understanding of a potential property's value. By exploring these topics comprehensively, you'll be better equipped to make sound investments, that can drive toward building your overall wealth.

Have a Plan for Capital Gains and Tax Strategies

Capital gains and tax planning are important elements to consider in any property investment strategy. Having a tailored plan can help ensure you can maximise commercial property opportunities, as well as commercial-to-residential conversions, where the market cycles lead you. Ultimately, having a sound plan for capital gains and tax will help ensure that your wealth building efforts pay off.

Explore Commercial-to-Residential Conversion Opportunities

Taking advantage of permitted development rights (PD) with a commercial-to-residential conversion, is a great opportunity for

investors. Converting large, unloved and potentially underused properties, into small homes, maximises the developer's GDV (Gross Development Value) and ensures that the finished product can be rented or sold quickly. For example, when converting an old office building or industrial unit, you could create up to five times more dwellings than when starting from scratch on a new-build site. Again, detailed due diligence is important prior to investing, as some buildings may require extensive refurbishment in order to meet building regulations and local authority requirements. However, if done successfully, investors can expect a higher return on investment in comparison to traditional development projects.

Explore HMO (Houses in Multiple Occupation) Opportunities

Rental yield is an important factor to many investors. With HMOs, rental yields can be up to three times the yield of the same property used as a Buy-to-Let, dependant on the location. HMOs allow investors to achieve a better return on their capital employed and can be a great stepping stone towards financial freedom.

For example, a 3-bedroom house, let to a family, under one tenancy agreement, means you may achieve £1,500 per month in rent, however, if you rent those three bedrooms on an individual basis, as in a HMO at £650 per month, your rental income is now £1,950 per month.

Here's the game changer; if you can – build a rear extension and loft extension, to provide three additional bedrooms, which will help you achieve 6 x £650, equalling £3,900. Inevitably, this is dependent on the property you are looking to buy, renovate and convert into an HMO investment. Which is where research into your property and potential extension opportunities becomes vital.

We are experiencing an increase in tenant demand for flexible, affordable housing.

KNOWING THE LOCAL MARKET DYNAMICS AND BEING ABLE TO ANALYSE MARKET DATA, IS KEY TO SUCCESSFUL PROPERTY INVESTING

There is a trend in the UK (especially in cities and larger towns) where the average size of a typical 'household' is declining and at the same time, the overall population is increasing. This combination is leading to increased demand (in the right areas) for HMOs over and above single-room rentals.

The great thing with HMO as an investment strategy, is that you can combine both commercial and residential and still create a HMO element. For example, you can convert a C3 dwelling into a C4 HMO under PD up to 6 rooms (unless there is an Article 4 restriction of course – check with the local authority) and with a mixed use commercial building, you can create the residential element into a HMO also!

Learn About Market Cycles to Find the Right Property Selection

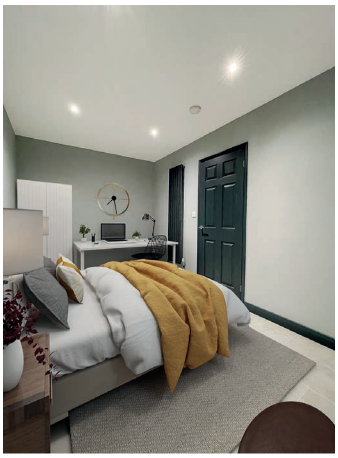
Real estate trends and market cycles should always be considered when making a property selection. It is important to understand the impact of changes in the property cycle on investment decisions and how to identify potential investments that could maximise returns. Knowing the local market dynamics and being able to analyse market data, is key to successful property investing. From residential to commercial property, strategies such as cash flow analysis or capital gains will provide insight into the most suitable location for purchase. With an understanding of what drives trends, investors can confidently make the right decisions in selecting properties that suit their needs.

Conduct Thorough Due Diligence Before Making an Investment

Successful wealth-building hinges on conducting thorough due diligence before making an investment decision. This includes a detailed analysis of development costs, the cost vs. value ratio, and 'doing the numbers' to create a cohesive, deal analysis spreadsheet. Each potential investment needs to be evaluated on its own merits in terms of market cycles, capital gains potential, cash flow, profitability, tax strategies, property selection and most importantly, accurate property valuation. Further due diligence may also be needed if considering commercial-to-residential conversions or commercial property investments. Seeking professionally certified advice throughout the process is essential to ensure decisions are made based on robust and up-to-date market data, that takes into account multiple factors including current economic conditions.

Consider Investing in Both Commercial and Residential Properties

Investing in both commercial and residential properties can be a profitable endeavour, if done properly. When investing in commercial property, adding value through conversions such as switching a building from commercial to residential, is an excellent way to maximise profit. Commercial leases are generally more lucrative than residential and require less



The team at Savoys Properties

maintenance, whereas demand for residential properties remains steady and can provide potential tax loopholes.

Investing in property is a great way to create wealth for the future, but it can be tricky to navigate the process. Whether you choose commercial or residential investments (or both!) *Savoys Education* has comprehensive online courses that allow users to effortlessly learn more about these complex processes; enabling them to make informed decisions when it comes to investing in property.

Where We See Opportunity In 2023

Over the next year, commercial property opportunities will be in abundance, with more supply than demand. The current financial climate and interest rate hikes will mean that high-street bricks and mortar businesses will inevitably have to close, coupled with the fact that more transactions than ever, are being done online, in particular with companies such as *Amazon*, making it easier to order, pretty much, anything you need at the touch of a button. The impact of COVID-19 also played a huge role in the changing high street; businesses have become accustomed to allowing their employees to work from home, with most employers continuing this model, creating far less demand for purpose built offices.

There is currently more commercial property in the UK than is required, hence the government has introduced various planning changes, which allow you to re-purpose properties into alternative uses, without seeking full planning permission. The current 'Use Classes' were last updated on 1 September 2020.

'Use Class E', conversion of shops, offices, cafes and restaurants etc., to residential, has become a lot easier with the introduction of these Permitted Development Rights (PDR). 'Class MA' is change of use, to go from 'Use Class E' to residential. 'Class MA' is done through a 'Prior Approval' process, which has an approval time limit for the local authorities, of 56 days, it also has a checklist of items it is assessed against, allowing greater certainty of approval if you meet the set criteria.

Taking the Next Step to Capitalise On Commercial-to-Residential Conversions

If you're looking to start capitalising on the potential of commercial-to-residential conversion opportunities, we are here to help. Our crash course provides a comprehensive guide to navigating the waters of this profitable venture, with over 20 years of success and experience leading the way.

If you join the *Savoys Education* program for property investment, you're going to gain access to a wealth of knowledge and resources, designed to empower you with the skills and insights you need to succeed in property investing. Use our proven method of building a property portfolio with commercial-to-residential conversions. You can browse the topics covered and get a sense of the level of detail and depth of knowledge provided in each module, from our website.

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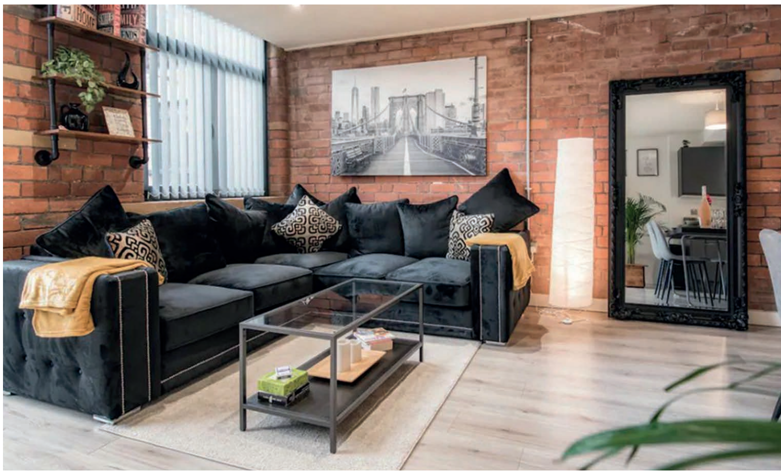
A BEGINNER'S GUIDE TO RENT-TO-SERVICED ACCOMMODATION (R2SA)

HOW TO IDENTIFY AN AREA THAT WORKS AND FIND PROFITABLE DEALS

In many ways, rent-to-serviced accommodation (R2SA) is what property sourcing was – the go-to strategy, for making money in property with little upfront capital.

This is part of what drew me to it. I wanted to leave my full-time job and live life on my terms, away from a career that was destroying my mental health. Although I haven't grown as quickly as some of the people around me, I've managed to scale my portfolio to eleven R2SA properties, in and around Bradford, within two years. I'm proud to say that my units are some of the most high-end in the city and my occupancy rating sits at a comfortable 85%–100%, most months.

In this article, I'm going to give you my advice for finding profitable R2SA deals, uncovering local hotspots for the strategy and negotiating with estate agents, who might not be so keen on your ideas.



An example of one of Joes units

A Different Approach

I'm a Bradford lad and proud of it. But what I will say, is that the city has a reputation for being 'rough around the edges'. When I first told people that I wanted to let high-end properties in the area, they told me I was 'brave. I don't think a single person, other than my mentor, Alasdair Cunningham, had a good word to say! The general feedback was that my units would get trashed, TVs would be stolen and the place would smell of drugs within a week.

But I disagreed. I'm from Bradford and I want nice things! I thought that having a nice apartment in a 'not so affluent' area, would have the opposite effect and, I was right! Not only is my occupancy rate through the roof, but I also get regular messages from guests to say how much they appreciated their stay. Unfortunately, there aren't many nice places for them to stay in the area for the same cost per night.

My advice is to ignore the 'naysayers'. Following my path hasn't just helped me to build a successful business, but it's also given me a lot of personal satisfaction.

How to Find a Good R2SA Investment Area

All cities are home to many large and small businesses, with competition for accommodation for workers.

However, for some reason, investors and builders discount towns as a viable option. Some towns have a lot going on in them, just like the big businesses, they are hiring staff, builders are working on sites and tourists are visiting for a holiday. Also, letting agents in smaller towns are less likely to have heard of the R2SA strategy, so they won't know of all the negative stereotypes that come with it, which makes pitching easier.

But here is the real 'golden nugget'. If there is a hotel in the area, there is room for an R2SA business. Hotels invest a fortune researching whether there is a demand for overnight stays. Why reinvent the wheel when you can leverage their work?

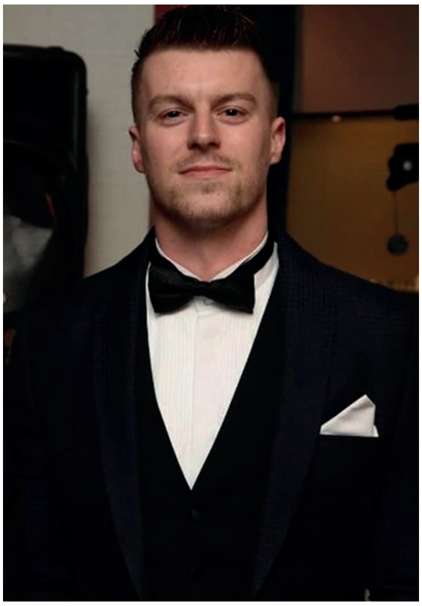
Also, look at hotel reviews. These usually indicate why people are staying (or not) so you'll know whether your target market are likely to be professionals, contractors or holiday goers.

Using Letting Agents to Find Profitable R2SA Deals

Many letting agents don't like the R2SA strategy and will brush it off as being 'against company policy'. However, just like most things in business, the key to success is relationships. So, before you go in 'all guns blazing', pitching your services, it's best to practice.

I recommend calling agents outside of your investment area first. Listen to the rejections and objections that they give and then practice overcoming them. This way, if you mess up or get a rejection you weren't expecting, you'll be prepared when you speak to the agents you actually want to work with. If possible, visit branches in person, rather than calling them.

Also, never accept rejection. Always ask the agent why they're saying no and then positively challenge their objection. This gets easier, when you have a couple of deals under your belt, for credibility. If you don't have this already, then partner with someone who is experienced and use their portfolio as an example.



Joe Nicol

How to Find Apartment Blocks to Let

It might take a few attempts, but there is the potential to reach a property developer, who will let you rent out an entire block of apartments, to use as holiday lets.

The key, is to speak with property developers. As you wander around your area, look out for sites that are being developed. They'll usually have a sign on them with the contact details of the developer. Give them a call and build a relationship.

It is easier for developers to get lending, if they already have a tenant in place before the build is complete, so it's a win-win deal.

Lessons I Learnt Along the Way – What to Avoid

I'm growing quickly, but the reason I'm not further ahead, is me. I had a lot of problems in my personal life when I started. Things that held me back. Things like self-doubt and the fear of failure. If I'd taken the time to fix these problems before growing my business, then I'd be miles ahead of where I am now.

When it comes to growth, the key is to be brave. I once had the opportunity to manage 20 units, but I refused them because I was scared. Another investor who had 'bigger cojones' than me, took them instead, and now he's killing it!

Learning from my mistakes, I'll leave you with the advice that the same investor gave me:

"I'll take one unit and if that makes money, then I'll take on another. If the second one makes money, I'll take a third. If those three make money, I'll take another three. If they don't make money, then I'll deal with that problem at the time." Experience allows you to avoid creating problems because you have dealt with them before they arise.

A Parting Gift

Alasdair Cunningham helped me to face my problems and I truly believe that without him, I wouldn't even have a business. On a personal and professional level, he's changed my life and I can't recommend his training enough. He's more than a mentor now, he's a close friend.

If you want to get started in low-money-down strategies, like R2SA, then you can book a free discovery call with him by clicking the link below.

To see more from me and my business, Friends in Property, follow me on my socials or email me on:

friendsinpropertyuk@gmail.com

Free discovery call:

alasdair-cunningham.com/discovery-call

MANY LETTING AGENTS DON'T LIKE THE R2SA STRATEGY AND WILL BRUSH IT OFF AS BEING 'AGAINST COMPANY POLICY'

MASTERING THE ART OF NEGOTIATION

HOW TO GET THE BEST PRICE ON YOUR NEXT PROPERTY PURCHASE

We all want what's best for us; we can't help but consider what is in *our* best interest when we are negotiating with a partner, supplier, investor or estate agent. But if we are too self-centred and focus only on what we want, it will surely blow the deal and both parties will lose out.

Striking a balance and negotiating for a win-win, is a crucial skill that every entrepreneur needs, to build a prosperous business. If you feel negotiation isn't your strongest skill yet, my seven tips for effective negotiation are a good starting point to improve:

Ryan Windsor
Director of Windsorpatania and HMO Architects

1. Do Your Prep Work

Going into a negotiation without preparing, is going in to lose the deal. Successful negotiations require that you have at least basic notions of who you're getting involved with; their needs and wants, their motivations and their strengths and weaknesses. It's good practise to also track and record your interactions with them, so that you can easily recall any previous conversations, as part of your prep.

A great example of this is direct-to-vendor deals or, property purchases where the estate agent has given you a good scope of the seller's background. If you know that the vendor of a property needs a quick sale, due to a job opportunity, then make sure you focus on offering a quick sale when you're negotiating price.

2. Know Your Strengths and Weaknesses

Knowing your own strengths and weaknesses will help you determine whether a deal is right for you, ensuring that you are not taken advantage of and ultimately results in the best deals. For instance, what can you offer that your competitors can't? Which characteristics make your company ideal for the deal? And, how will you mitigate risks you've already identified, based on your weaknesses?

3. Leave Your Ego at the Door

Going into negotiations with confidence and having done your background research, as well as recognising your strengths and weaknesses, will get you off on the right foot. Approaching any tensions in a calm and authoritative way, based on what you know, will get you much further than using emotional arguments, or letting your ego lead the way.

This can also be interpreted as "buying with your head and not your heart". It is easy to become emotionally attached to a potential property deal, but if the figures don't work, they don't work. Don't offer more than you can afford, especially if it's going to leave you with a minute margin, that will be obliterated the moment something unexpected crops up on the refurb.

4. Know When to Walk Away

Even if the deal feels important, you can't accept a bad deal. Entering a negotiation knowing you can and will walk away, if things do not go as planned, enables you to enter in a position of power. Believing you are able to walk away, if the deal is not in your best interest, is key; you have not lost an opportunity, you are keeping space, time and capacity open, for when a better deal presents itself.

5. Know How to Close

Sometimes negotiations feel like a game of chance, but they are more like a game of chess. Timing and the ability to sense the other side's next step are crucial, as is the point to end the game. Bargain in good faith, know your bottom line and work to get progressively closer to the other party. The deal does not need to be perfect, it just needs to work for both sides.

Know when to talk and know when to listen. If you strike a deal that works for both parties, then shake hands and close it. Continuing to push, can quickly sour the opportunity. Likewise, the more you listen, the better understanding you'll get of the other parties needs and requirements. If a vendor needs £120,000 to buy their dream house, then it's highly unlikely they'll accept less than this, no matter what you say.

6. Never Set a Range

Ever been asked for a ballpark figure? Don't grasp one from the air. A ballpark figure will set an anchor and the other party will aim for the lower or higher end of the range, depending on their position in all future interactions. The best practise is to never provide an estimate when you don't have enough information. If you're not ready to quote, keep asking questions until you are.

7. Use the Higher Authority

It is good to have a reason to step away from a deal, such as having to get a final OK, because being seen as the ultimate decision maker at your end, could leave you at a disadvantage. Let the other party know at the beginning of the negotiations, that you will have to get the final OK from your partner, board or adviser. Making use of the higher authority gives you the option to rethink a borderline deal.

This can also salvage relationships, if you've said, 'No,' and the deal doesn't go ahead, it removes you from being in the firing line.

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