SEPTEMBER/OCTOBER 2023 – ISSUE 24 – PRICE £12.95

Blue Bricks

MAGAZINE

CHARLOTTE EDWARDS
THE ACCIDENTAL FEMALE DEVELOPER

HOW TO GET INTO THE 'STAYCATION' INDUSTRY WITH LESS CAPITAL

NATHAN WINCH

TEAM BLOOMFIELD – 12 PROPERTIES IN 12 MONTHS

SIMON ZUTSHI – WHAT DO THE NEXT TWO DECADES HOLD FOR THE PROPERTY INDUSTRY?

LARS SINGLETON – HOW TO GROW YOUR BUSINESS AND PORTFOLIO WITH A SSAS PENSION

THE PROPERTY INVESTOR MAGAZINE

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ISSUE 24 | SEPTEMBER/OCTOBER 2023

EDITOR'S FOREWORD

Autumn marks a season of change. I hope it brings a positive transformation for you, whether it's a shift in your mindset, business, property portfolio, or family life.

Could Autumn also signal change for the property market? At this point, who knows? I've heard people claim they've been waiting for 'the crash' since 2020. On the other hand, some argue that the property market can't afford to crash, since it's the backbone of the UK economy.

What's my take on it? Well, it's not unreasonable to anticipate a decrease in house prices. With the cost-of-living crisis, saving for a house deposit has become an impossibility for many. With fewer buyers, sellers may need to lower their asking prices to attract more interest.

But does this mean you should wait for house prices to drop? I wouldn't recommend it. Regardless of the market conditions, there are always opportunities to be found. It just means things might be a bit more challenging right now. Plus, if prices do come down, you can expect more competition from both investors and homebuyers.

For a deeper dive into the property market, be sure to read this issue's "Market Pulse" and "Finance Pulse."

Now, let's talk about what's inside this issue of Blue Bricks Magazine.

Endless Insights

This magazine is brimming with valuable insights. Simon Zutshi's article, discussing how the industry has evolved over the past 20 years and his predictions for the next two decades, stands out. Another remarkable piece is from Jerome Joaug, sharing his experiences as a venture capitalist and what investors look for in prospective projects.

In addition to all this knowledge, you'll find a wealth of inspiration. Charlotte Edwards shares her journey from accidental property developer to successful business owner, living her dream life. Katie and Danny Bloomfield reveal how they built a portfolio of 12 properties in just 12 months.

And then, we have our main feature: Nathan Winch, who unveils a new investment strategy that could transform your portfolio and boost your profits.

There's a wealth of knowledge and value within these pages, so dig in and enjoy.

Online Networking is Back!

We're thrilled to announce the return of our monthly online networking events.

These events will feature monthly keynote speakers and provide an opportunity to connect with fellow members of our growing community. We'll also record these events and make them available in the 'members only' section of our website, so if you miss a speaker you'd love to hear, you can catch up at your convenience.

Reserve your spot on our website by clicking on 'networking,' then 'online events.' Don't forget to log in to your account for free access.

That's all from me. Enjoy your reading, share your thoughts on social media with **#bluebricksmagazine**, and be sure to tag us!

Sam Cooke
Editor of Blue Bricks Magazine

The article above cannot be construed as advice. This information may change at any time during the printing process.

MEET THE COLUMNISTS

Mark Lloyd

Mark Lloyd has been investing in property since 2005. He is the co-founder of Property Master Academy, a mentoring and training company (propertymasteracademy.co.uk), Founder of Max Property Finance UK Ltd (maxpropertyfinance.co.uk) and UK CEO of Maxcrowdfund.

Danny & Katie Bloomfield

Danny and Katie's journey involves transforming properties into lucrative assets through strategic renovations and collaborations with investors. Alongside their thriving property business, they manage multiple successful businesses and are parents to six children.

Charlotte Edwards

Also known as 'The Accidental Female Developer', Charlotte is a successful businesswoman, mentor and developer. Charlotte is passionate about helping and inspiring other women to succeed in what is predominantly seen as a 'male-dominated industry'.

Nathan Winch

Nathan is a serial entrepreneur and private equity investor who has built and sold multiple companies across a variety of industries. This is all alongside being an experienced property investor and author of A Guide to Lease Options.

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.

Simon Zutshi

Simon has been investing in property since 1995. In 2003, he set up one of the UK's most prolific property training companies: Property Investor Network, which also holds networking events across the UK.

Lars Singleton

Lars is an FCA Qualified Adviser, entrepreneur and Investor who helps business owners and property professionals scale their wealth through SSAS pensions. He also co-hosts a series of networking events dedicated to teaching people how they can use their SSAS pensions to fund new purchases and business growth.

Nicholas Wallwork

Nicholas is an established property investor and co-host of the series Property Elevator. Since starting his property career, Nicholas has developed over £100m worth of UK property and has started and built multiple successful property businesses.

Claire Saunders

Claire started Cashflow Leasing in June 2019 to help property investors grow their businesses with the assistance of asset leasing. Claire's out-of-the-box thinking and lender relationships mean that customers are in experienced hands when using her for their lease finance.

Steve Smith

Steve is the Head of Property for Shadowfax Funding Solutions, an experienced broker in the field of property. He specialises in property development finance, commercial mortgages, bridging finance and buy-to-let mortgages. He has worked on cases from £25,000.00 to over £35,000,000.00 in debt funding.

Jerome Joaug

Jerome is an experienced investor and entrepreneur who scaled and exited two companies. Now, Jerome works as a venture capitalist, investing in tech start-up businesses and helping them from scale through to exit.

Sean Griffiths

Sean started a rent-to-SA business to escape the long and demanding hours of his job. After just three years in business, he managed to scale his R2SA portfolio into a highly profitable enterprise turning over £300,000 per year.

THE MARKET PULSE

Stay ahead with us

KEEPING A FINGER ON THE PULSE OF THE PROPERTY MARKET

JILL STEVENSON

House completions are down by 40% for the first six months of the year

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Cash Buyers Increase as Completions Almost Halve

As predicted, house prices are plummeting, sales completions are down and far fewer buyers are being approved for a mortgage. But it's a good time for cash buyers.

The latest figures from the Nationwide Building Society show that the price of the average UK property fell 5.3% last month (around £14,500) compared with August 2022. That's the fastest drop since 2009 (a year into the last big recession). The figure of £259,153 is also a 0.8% drop from the previous month, in July this year. House prices peaked in August last year at £273,751.

Nationwide's chief economist Robert Gardner blames the slowdown of the market on the rising cost of borrowing. The Bank of England's interest rate has increased 14 times since December 2021. Then it was 0.1% today it's 5.25%. That has a rebound effect on mortgage lending, of course, with a typical two-year fixed rate mortgage coming in at around 6.73% and a five-year fixed mortgage at 6.21%.

House completions fall nearly 50%

House completions are down by 40% for the first six months of the year compared to the housing merry-go-round that was 2021. Back then, not only were interest rates low, but Rishi Sunak had also introduced his infamous stamp duty holiday. A report by property portal Zoopla predicts the number of house completions by the end of the year will be around one million – that's 21% less than in 2022 and the lowest number since 2012.

A Zoopla spokesperson said that the annual figure for house completions is the equivalent of every household in the country moving once every 23 years – rather than typically, every eight years.

He added: "Mortgage rates have started to fall slowly but rates need to fall below 5% before we see an increased appetite to move home in the second half of 2023."

Not surprisingly, with such high mortgage interest rates, there has also been a drop in the number of first-time buyers – 25% fewer than in 2019. According to analysts, a first-time buyer on a typical wage and buying a property with a 20% down payment would end up spending around 40% of their salary on monthly payments. That's a figure that's hardly sustainable for anyone, never mind a youngish first-time buyer.

The number of cash buyers is increasing

Conversely, the number of cash buyers has risen by 2% to 31.8%. Around 60% of sales are with a mortgage, while another 8.2% are buy-to-let investments.

Some property analysts are keen to see the Bank of England leave the current interest rate as it is – rather than increase it again (which is what is expected). Director Tomer Aboody of MT Finance said: "With some better news on inflation recently, it would be useful if the Bank of England postponed the next rate rise, giving the market some breathing space to adjust."

CONVERSELY, THE NUMBER OF CASH BUYERS HAS RISEN BY 2% TO 31.8%

Renting just 10% less than mortgage payments

And it's not only mortgage rates which are going up, the cost of renting is too. Zoopla's latest report shows that renting is a mere 10% less expensive than paying a monthly mortgage. Of course, that depends on where that property is located. The report, for instance, showed that last month you would have paid an additional 1.7% to buy a property in Scotland, whereas you would have got it for 1% less in London.

Zoopla executive director Richard Donnell said the cost of living was also having a major impact on the mortgage market.

"It's resulting in weaker demand from buyers, fewer sales and very low house price growth," he said.

But on a brighter note, he said he is convinced property sales will pick up within two to three years. This he attributed to an increase in flexible working practices, downsizing by a growing elderly population and good employment opportunities. Immigration too, he said, will have a positive effect on house sales.

THE FINANCE PULSE

This month's update is unusual, as I'm finding that some lenders are lowering rates, as the Bank of England base rate increases, with some rates being advertised as reducing by as much as 1%. This includes three high street banks.

Though the market appears to be looking at longer term deals, with fixed rates being the ones that are being reduced, with the expectation that in the mid-term, the base rate is expected to lower.

Henry Jordan, Director of Home, at *Nationwide*, said: "These latest changes build on the reductions we made last week for existing customers. With swap rates having fallen from their early July peak and stabilised somewhat, we are now able to reduce rates for new customers."

These lenders are willing to erode their margin in the short term, to keep business and increase it. Be wary though, with these rates, some

Steve Smith

lenders are increasing arrangement fees, to as high as 7%.

The general view of brokers is that lenders will continue to reduce their rates, hopeful that inflation will soon start to fall. Words like, 'mortgage war', are being used and this can only be beneficial to landlords and those buying their own home. With high street banks lowering rates, we can only see other lenders following this trend.

Let's see what the next few months have in store; the near future is looking a little more positive.

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TWENTY YEARS OF INVESTING IN PROPERTY

HOW TIMES CHANGE AND WHAT THE NEXT TEN YEARS HOLD

Twenty years ago, the world was a different place. The internet was still relatively new and we didn't have social media or 'property *Facebook* forums'; even the banks were much more relaxed when it came to lending.

Fast-forward to today and times are drastically different. The economic landscape has changed massively in the past few years alone, the rise of artificial intelligence (AI) and automation means that a whole new world is upon us.

In this article, I will share the major changes I've seen happen in the world of property investment, over the last two decades and my predictions of what the future may hold for our industry.

A Property Crash – What Strategy Should You Be Investing in?

To become a seasoned property investor, you must navigate both the peaks and troughs of the market. Many investment strategies that thrive during periods of growth, crumble when faced with crashes or recessions.

What worries me, is that many of the 'mentors' teaching today, haven't even been investing in property for at least ten years themselves. Without at least fifteen years of personal experience, you can't have experienced investing in both a rising and falling market and, the way that you invest in both of these landscapes, is drastically different.

For example, I am seeing some strategies being promoted that could be financially crippling in today's downward market: like investing in 'off-plan developments'.

A more common strategy, 'flipping', is also skating on thin ice, in the current climate. With everything that's going on, the market and the economic situation are unpredictable at best. No one has any way of knowing what the next six months will bring, whether that be further hikes in interest rates or a property market crash, like we saw in 2008.

Saying that, "a freshly refurbished house will sell for a higher value in six months' time," is more of a guess at this point. Although, that isn't to say that the strategy does not work anymore; you certainly need to take more precautions, be extra conservative with your figures and plan to hold the property if you can't sell it.

'Single lets' are also becoming difficult, due to rising interest rates impacting the profitability of rental income. Even experienced investors, people who have been investing in other strategies for five years or more, need to be careful if they have never invested in this particular market. What worked for the last ten years, might not work for the next few.

All strategies carry risks, but personally, I'd focus on high-cash-flowing investments like serviced accommodation (SAs) and houses in multiple occupation (HMOs). With these, you can weather the storm with high monthly income, which means you don't have to worry so much if house prices drop.

Simon Zutshi

A Shift in Standards

Subpar and even average properties are no longer enough. HMO units with scuffed walls and stained mattresses and SA apartments, with the typical blue wall, yellow cushion combination, are being left behind, in favour of higher-end properties.

Because more people are investing in HMOs and SAs, this market is more competitive than ever, meaning you have to differentiate your properties and stand out.

For the HMO market, 'co-living' spaces are taking off. There is a focus on creating communities, where people feel at home, rather than offering just a room in a house, that people want to leave at the earliest opportunity. Taking pride in your HMOs this way, will lower your void periods and increase your rental value, just like taking pride in your SA units, will result in a higher value per night and more bookings.

A Change in SA Regulations – More Demand with Less Supply

I am aware of the grumblings around changes in legislation for short-term lets. We don't know what's coming or when »

Simon on stage giving advice to property entrepreneurs

it's coming (like the Landlord Register) so at the moment, it's guesswork. But from what I've seen in places like Scotland, where new regulations are already in place, I predict that an upcoming change will be related to safety and planning.

For example, I think that SAs and holiday lets will go down the same road as HMOs, where fire compliance is taken into consideration and fire doors are mandatory. Although I don't think this will affect property owners too much, as they're investing in an asset they own. I think it will be enough to throw a lot of rent-to-rent and rent-to-SA providers off. Would you want to invest an extra £10-15K in a property that isn't yours?

If this happens, then it will mean that fewer HMOs and SAs will be available, resulting in less supply for the rising demand. If you're still providing short-term lets or co-living at this point, then you'll be in a good position to raise your nightly prices and rental values.

How Borrowing has Changed in the Last 20 Years

The 'credit crunch' hit a lot of people hard, due to irresponsible lending by most banks and irresponsible borrowing by many people. At the time, some lenders were offering 125% loan to value (LTV). So, if you wanted to buy a home for £100,000, these banks would give you £125,000 towards the purchase. Savvy people invested this £25K in property, while others splashed it on cars and holidays, which caused the banks to become much stricter with their lending.

If you have more than four properties, you're now seen as a portfolio landlord, so you have to jump through more hoops when borrowing money. It's easier to get finance when you start out, which doesn't seem to make sense, considering you have less experience.

Information Overload

Information is now more available than ever. With the rise of *YouTube* and podcasts, anyone can learn how to manage a refurbishment, or invest in property with no experience. The availability of so much information can be overwhelming and it's hard to check whether the person providing knowledge online, is giving the right advice.

For example, 20 years ago, there was no social media, but these days, if you have a question, you can ask it in a *Facebook* forum. Within the hour, you'll have dozens of people sharing their advice. However, there is no way of vetting this advice. Someone can have the best intentions in the world, but they could still be giving you incorrect and potentially harmful information, without realising it.

This is especially true for financial advice. If you have questions about tax, then you should pay an accountant, not turn to strangers on *Facebook*. But with so much information being free, people have become more reluctant to pay for the right guidance and I think that sometimes, to get the best information, you have to pay for it. You also value what you pay for.

What the Next 20 Years Will Look Like

The UK population has increased over the last two decades, which has caused a national shortage of housing. This is to be expected though, as more people have children and the UK being a desirable place to live. We have free healthcare, free education and free housing. This is all valuable stuff, which entices people to travel from overseas to live here.

An increasing population with a dwindling supply of houses, means we are likely to see the rise of alternate build options, which are less labour-intensive, like structural insulated panels (SIPs) buildings and modular homes. With the continued push on environmental sustainability, this is looking increasingly likely.

There is also bound to be another property crash within the next 20 years, but after this, house prices will bounce back as usual. In the next five to ten years, 50% of jobs currently done by humans, will be replaced by artificial intelligence (AI) or automation. However, the bright side to this, is that more jobs will open in new industries, like roles which support AI and new infrastructure. I think that this will spread across more industries than people realise and I believe that a future, where long-haul transport and taxis are automated, isn't too far away.

We are already seeing automation in supermarkets with self-service checkouts. There is even an AI machine called *IBM Watson* that is becoming more efficient than qualified doctors at diagnosing diseases.

If this happens, then my prediction is that mass unemployment will cause the government to roll out some kind of guaranteed living wage or 'Universal Basic Income', where everyone, regardless of employment status, will be given a set monetary amount by the government every month.

If you're worried about this, then just look at the internet. Its creation revolutionised the world as we know it and we can't imagine life without it now.

Finally, I think that we will see fewer homeowners and more renters, due to housing being unaffordable and huge job losses crippling people's income. I think that we will see more housing being paid for and controlled by the government.

My thoughts are that the future brings an element of risk to all investors and business owners, but it also brings a wealth of new opportunities, the likes of which we have never seen before.

The Future is Yours

No matter what happens, the future is yours for the taking, if you take action. Prepare for the coming changes and be wary of the way you invest your money in an uncertain, downward market.

If you have enjoyed this article and would like to learn more about me, then please get in touch using the information below with any questions.

I would also like to gift all readers of Blue Bricks, a FREE visit to their local property investors network (PIN) meeting, if it is your first time attending. When you book your ticket online (using the link below) simply put in code **BlueBricks**. Providing you haven't attended before; this will give you your ticket for free.

hello@contactpin.co.uk
propertyinvestorsnetwork.co.uk

Find your local PIN meeting: **pinmeeting.co.uk**
First meeting free code: **BlueBricks**
Also, check out my new book: **simonbook.co.uk**

TEAM BLOOMFIELD: 12 PROPERTIES IN 12 MONTHS

OUR ADVICE FOR RAPID SCALABILITY AND GROWTH

Danny and Katie Bloomfield

Introduction

We are Danny and Katie Bloomfield, a property investing husband-and-wife team, based in Ipswich, Suffolk.

Our strategy? Handpicking properties teeming with potential and transforming them into top-notch havens.

Our ultimate goal? Creating spaces where tenants don't just live, they thrive – safe, content and completely at home.

Property investment started out as part of a retirement plan for us, but things have a habit of changing and now we have a portfolio of 15 buy-to-lets, 11 houses in multiple occupation (HMOs) and two ongoing flat-conversion projects.

Our journey began after we both experienced challenging divorces in our early thirties, driving us to prioritise time together as a couple and as a family. Our six amazing children are actively involved in our business, joining us for viewings, meeting investors and visits to our investment areas. We believe in instilling strong beliefs in our children – if they're willing to put in the work, they can achieve anything.

In this article, we want to share our journey of building a sizable property portfolio in such a short amount of time, including the hard lessons we learnt along the way and advice for those who want to scale rapidly.

Where it Began

Our first investment property was a simple three-bed semi, buy-to-let in Grimsby. At £60,000, it was a steal. With just a lick of paint, we rented it out. Over the next seven years, the property value grew steadily and was revalued at £100,000. A 67% uplift in the northeast of England, for a fairly underwhelming property, has quietly transformed into a solid long-term asset and demonstrates the rewards of strategic property ownership. Consistently tenanted and low maintenance, this single-let has provided a monthly cash-flow of £250 from the start.

Everyone starts from somewhere and knowledge without action is useless. Our advice to anyone starting out, would be to make sure you do the necessary due diligence. The first deal may not end up being the best, but you learn so much from the experience.

Scaling up While Spinning Plates

In 2021, we acquired 12 properties, securing over £1 million in private lending, which made it all possible. We should point out that on the family front, we were also spinning plates all over the place, with one child under a year old, one at primary school, three navigating the pressures of high school, social media and teenage years and one studying for A-levels, as well as us teaching her to drive. This isn't to boast about all the things we do simultaneously, but to prove that through focus, desire and consistency – it can be done.

During that time, we were collaborating with sourcing agents in three different investment areas, receiving multiple deals daily. To ensure quality, we became strict with our criteria and only selected the very best properties for our portfolio. We continue to adhere to this approach, utilising our deal analysis spreadsheet and only making offers on properties that meet our standards.

We shared our journey on social media and engaged in conversations about our endeavours, attracting like-minded individuals, especially investors who were interested in improving their return versus the low interest rates the banks were offering on savings accounts. Our willingness to share our experiences and passion for strategic property investment, opened doors to exciting partnerships and opportunities.

Throughout our property career, we have successfully raised over £2.2 million in private lending, enabling us to pay out returns to our investors totalling over £300,000. It brings us immense pride to make these payments, which would otherwise have been profits straight into the pockets of traditional banks, had we only chosen traditional financing options.

Our advice to others wanting to scale quickly, would be to use as many different funding lines as possible. Build great relationships with mortgage brokers, bridging companies and investors who will want to become part of your power team. Alongside this, create deal pipelines that work together with funding pipelines, so that the money and the deals are constantly flowing.

Tehidy House in Felixstowe is expected to be completed in Spring 2024

Our 'Unicorn' – How to Consider a New Investment Area

Venturing into Scotland proved to be a remarkable decision for us. When considering a new area for investment, it is important to carefully analyse the market dynamics, such as economic indicators and potential growth drivers that can contribute to long-term profitability and uncover opportunities. Engaging with local experts and partners who possess intimate knowledge of the area can also provide valuable insights and mitigate risks.

Acquiring a three-bed terrace 'buy, refurbish, refinance' (BRR) property and seeing its value almost double within the year, was again testament to the power of strategic investing. Just as we advised above, we connected with a team of local sourcing agents, proving the importance of creating those relationships.

Here's the deal:

Purchase Price	£55,000	Money Out	£2,750
Refurb	£11,000	Rent	£615pcm
Buying Costs and Legals	£10,000	Cash Flow	£293pcm
End Valuation	£105,000		

We used private investment to fund this purchase and their capital was recouped, after refinance, with a pre-agreed fixed return. What made this investment remarkable was the ability to extract additional funds through refinancing. These 'unicorn deals' are a rare find in today's market and serve as testament to the rewards that diligent research, careful planning and a strategic mindset can yield, in the ever-evolving landscape of property investing.

Lessons Learnt So Far

Our property investment journey has certainly had its fair share of challenges and we believe in sharing the highs and lows of our experiences. Transparency is key and it's important to acknowledge that not every venture unfolds as smoothly as desired. In fact, we encountered some unexpected hurdles in our most recent HMO projects, where both time and refurb budgets were stretched.

Like many in the industry, we have faced the reality of rising material costs, exacerbated by skyrocketing utility costs which have placed a significant strain on our budgets. It is critical to know your numbers and have the ability to make well-informed decisions in a timely manner.

In light of recent market changes, we embarked on a period of careful evaluation. As a result, we made a strategic decision to bring our lettings in-house and have, this year, recruited a lettings manager. This has allowed us to regain control over crucial aspects, such as tenant selection and retention, property maintenance and utilities, as well as most importantly, our service.

Since being back in communication with our tenants, we have been able to rectify a number of minor maintenance issues, before they have turned into big issues.

By taking a more hands-on approach, we have been able to streamline our operations, optimise efficiency and ensure that every aspect of our portfolio aligns with our vision for success. We believe that having greater control over these vital elements, will not only mitigate financial strain, but also enhance the overall experience for both tenants and ourselves.

While it's important to celebrate our achievements, it is equally important to recognise and learn from the challenges we faced and adapt accordingly. By sharing our journey with you, we hope to inspire and empower you to approach your ventures with resilience, adaptability and a commitment to finding innovative solutions. It is through overcoming obstacles that we grow and thrive in this industry.

Since those early days, we have come far – leveraging our network and investing in education and mentors. Having a team of the right people around us, cheering us on, has also made a huge impact. Anyone looking for a mentor should consider what they actually want from that person before engaging in a potentially expensive contract. We usually look for someone who has done the things that we want to do, someone who speaks openly and honestly about their journey. We believe a good mentor, should save you money and be able to get you to where you want to be, quicker than if you were walking the path alone.

What's Next?

We have an ambitious business plan which spans across the next decade, but our current focus revolves around the exciting conversion project of Tehidy House, in Felixstowe, Suffolk. This project should reach its full potential by the spring of 2024.

Let's Connect

In addition to our current projects, we also run a *Facebook* group called Parents in Property that you can join. Through this community, we provide a platform for fellow parents, with a passion for property, to connect, learn and grow, as we build empires and raise families, overcoming challenges and celebrating successes, while continuing to make a positive impact in the world of property development.

We would love to connect with you, get in touch by emailing us at **hello@dkbhomes.co.uk** or follow us on *Facebook* or *Instagram* **Danny & Katie Bloomfield**

FROM £36K TO £300K TURNOVER IN ONE YEAR

HOW TO RAPIDLY SCALE YOUR PROPERTY BUSINESS

After two years of investing in property, I've managed to grow my rent-to-serviced accommodation (R2SA) business from scratch, to just under £300k per annum.

In 2021, I was working away from home, getting up at 3am on a Monday morning to do a five-hour drive to work, where I would then do a twelve-hour shift, five days a week, before the dreaded five to eight-hour drive home on the Friday. I needed to get out of this lifestyle and replace my income, so that I could finally have freedom.

I hope that this article gives you some assistance in scaling your own portfolio and if nothing else, it inspires you to see what is possible, with a lot of hard work and tenacity.

Investment Patches and Systemisation

I've wanted to invest in property for as long as I can remember. Compelled by the long hours I was working at my job, I decided to take the leap and invest in my education, beginning a course that specifically taught the SA strategy.

This birthed my business, *Amazing Spaces Relocations Ltd*. However, it was a struggle in the beginning. I picked the wrong investment patch, which meant I was fighting hard to get a deal while getting no results. But, within a few weeks of changing my patch, I managed to get my first deal. I honestly can't stress enough the importance of researching your investment area. If I'd have done more due diligence at the start, I'd have saved myself many weeks of hard work that didn't yield any results.

My next piece of advice is to systemise as soon as possible. Because I was still working my job alongside trying to start the business, I was sometimes working 18 hours a day. This isn't advisable or sustainable and working these kind of hours means you'll likely burnout fast. But, with a few simple systems, I was able to scale back my hours, while my business ran with minimal input from me.

The systems I would advise you to implement if you're running a SA property business are as follows:

- Call answering service or virtual assistant
- Channel manager
- Dynamic pricing software
- Cleaners
- Property maintenance company
- CLEAR check-in guide
- Direct booking website with FAQs
- Payment terminal
- Communication system

Scaling Up

Once I had the first deal set up and had worked through the problems, now it was just a case of knowing how to scale. I had seen that Alasdair Cunningham had just started a new training program, so I decided to use the profit from the business to invest in his training. This was 100% the right decision. It's an incredible training program which provided me with contacts, guidance on how to run a business and the knowledge of how to market and sell.

The first task I completed as part of Alasdair's training was to set goals, which were:

- Get six rent-to-rent (R2R) deals and
- Buy a Ford Ranger pickup

Within six months, I had managed to get ten units, hit my targets and get the pickup truck I wanted!

While ten units provided a level of cashflow, it wasn't enough to replace my income yet.

For anyone looking to replace their income, it can be done quickly if you know how. You need two things: education and contacts. Grow your network and forge relationships with new contacts because those people will ultimately help to grow your business, via word of mouth or other opportunities. I wish I had realised this earlier. I started networking, increasing output on social media and looking at who I could do business with. If you do all these things with a good product and service, you can grow any business very quickly.

My Final Advice: Have Multiple Streams of Income

Having one stream of income is risky, much like having a job. I would recommend that you look at ways of finding multiple streams of income. That's another way I have managed to grow my business quickly and I now have 13 units, but I'm also doing deal sourcing and staging R2R deals, which resulted in my first £10k profit month which has now replaced my salary. The SA management contracts and my own R2R portfolio provide great cashflow every month, while the deal sourcing and staging provides quick, lump sum cash payments.

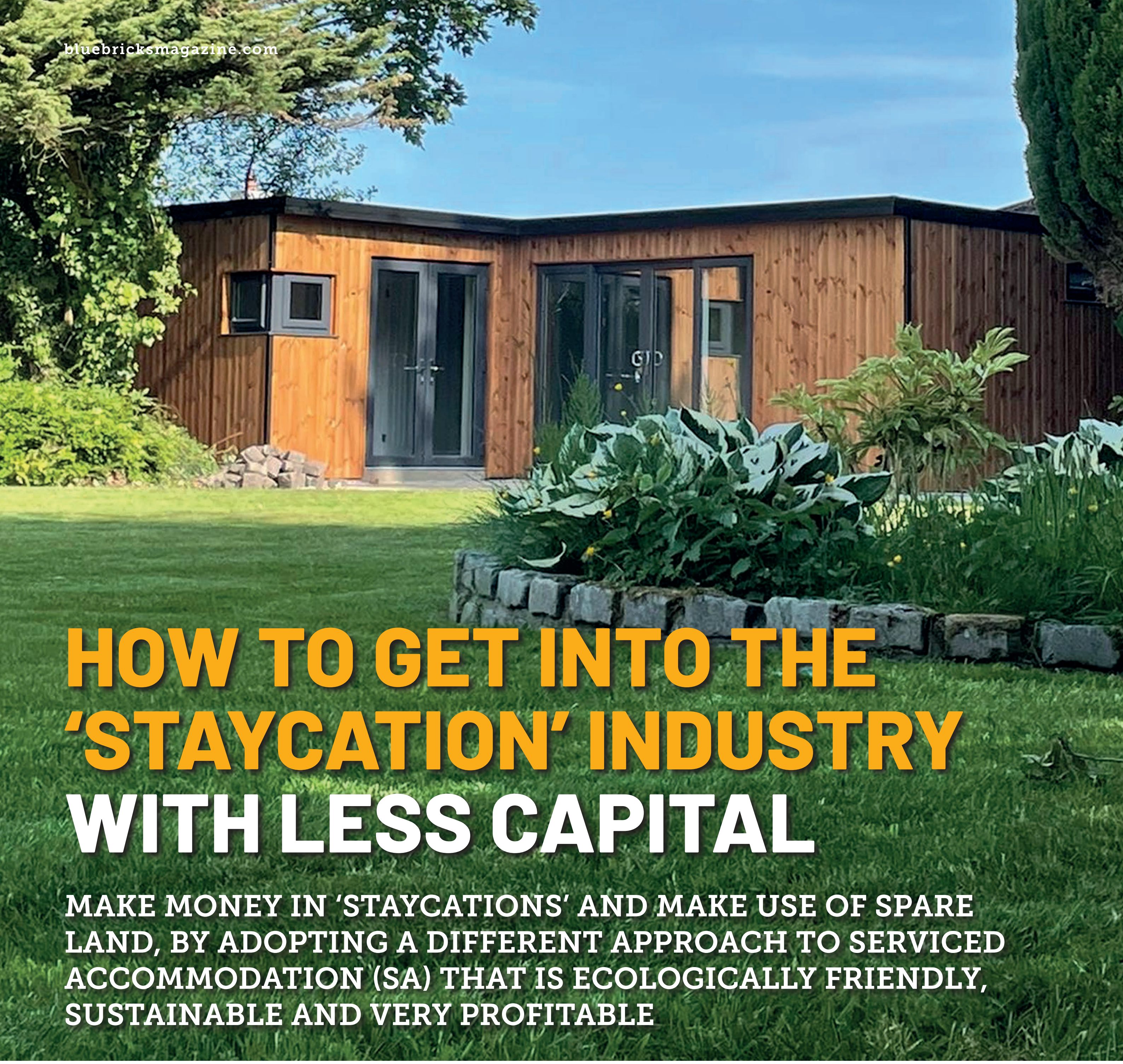
To stress how important all of the advice above is – working alone on one or two deals, my business generated £36k in the first year of trading. In my second year of trading, after investing in my education and growing my network and contacts, the business has made just under £300k turnover – That's an increase in turnover of over eight times what was achieved in year one.

Let's Connect

I'm trying to network with as many likeminded people as possible and would love to work with you.

Even if you're not looking to use my services but are interested in property, then reach out, I would love to have a catch up and talk about all thing's property with you. As I advised earlier in the article, growing your network is the fastest way to scale!

Inside of rent-to-serviced accommodation by Amazing Spaces Relocations Ltd



HOW TO GET INTO THE 'STAYCATION' INDUSTRY WITH LESS CAPITAL

MAKE MONEY IN 'STAYCATIONS' AND MAKE USE OF SPARE LAND, BY ADOPTING A DIFFERENT APPROACH TO SERVICED ACCOMMODATION (SA) THAT IS ECOLOGICALLY FRIENDLY, SUSTAINABLE AND VERY PROFITABLE

'Staycations' have become increasingly popular in the UK, with more people choosing to explore their own country instead of jetting off abroad. A 'staycation' involves taking time off work or school and staying at home or holidaying within the country, rather than going on an international trip.

There are numerous reasons why 'staycations' have gained such popularity in recent years. Firstly, they are often more affordable than going abroad, as there are no expensive flights or accommodation costs to worry about. This can be a huge benefit for families or individuals on a budget. Additionally, 'staycations' allow individuals to discover the beauty and diversity of their own country. The UK is filled with stunning landscapes, historic sites and vibrant cities, making it the perfect backdrop for a holiday. From the picturesque countryside of the Cotswolds to the rugged coastlines of Cornwall, there is something for everyone to enjoy.

Furthermore, 'staycations' can be more relaxing than traditional holidays. Without the stress of travel and adjusting to a new culture, individuals can focus on unwinding and exploring at their own pace. Whether it's lounging on a beach, hiking in the mountains, or visiting local attractions, 'staycations' offer a sense of tranquillity and freedom.

Invest Less but Make More with Timber Buildings

Timber buildings have many benefits. They are environmentally friendly, as wood is a renewable resource, offering natural insulation and a low carbon footprint. Timber buildings are aesthetically pleasing and can be easily customised. Additionally, they are durable, cost-effective and can be constructed quickly.

This method of construction also has significant ecological benefits. The buildings store carbon dioxide and reduce greenhouse gas emissions. They have a lower embodied energy compared to traditional construction materials – promoting sustainable forestry and reduce the environmental impact of construction. Additionally, timber is biodegradable and renewable, supporting a circular economy.

Investors looking to make money from holiday lodges, glamping pods and park homes have a range of opportunities to explore. The growing popularity of alternative accommodation options in the travel and tourism industry in the UK, presents a lucrative market for investors. These unique lodging options appeal to travellers seeking a more immersive and nature-oriented experience. Here are some ways investors can capitalise on this trend.

Rental Income

One of the most common and straightforward ways to generate income from holiday lodges, glamping pods and park homes, is through rental income. By marketing these accommodations to people on a short-term basis, investors can generate regular revenue. This income stream can be significant, especially during peak seasons.

Investors can choose to manage the rentals themselves or use the services of property management companies or online platforms. Effective marketing, competitive pricing, positive guest experiences and excellent customer service, are crucial for attracting and retaining guests.

Buy-to-Let

Buy-to-let is another popular strategy for investors looking to make money from holiday lodges, glamping pods and park homes. This involves purchasing the properties with the intention of letting them out long-term, for example, to a holiday park operator. In many cases, investors seek partnerships with holiday park operators or companies that cater to this specific market.

With long-term rental agreements, investors can benefit from stable and reliable income. Market research is essential to identify areas with high demand for long-term rentals and to ensure that rental income covers property expenses and provides a reasonable return on investment.

Property Management Services

Investors can offer property management services to owners of holiday lodges, glamping pods and park homes. This can be an attractive proposition for property owners who lack the time or expertise to manage their investments effectively. Property management services can include marketing the accommodations, managing bookings and guest communications, coordinating maintenance and cleaning services as well as ensuring a positive guest experience.

Investors can charge a percentage fee or a fixed fee for these services, allowing them to earn a steady income, while assisting property owners in maximising their returns.

Development and Sales

Investors can undertake property development projects to create and sell holiday lodges, glamping pods or park homes. This can involve purchasing land or existing properties, obtaining the necessary permits and approvals and building or renovating accommodations, tailored to meet the demands of the particular market.

Developing holiday lodges, glamping pods or park homes requires careful market analysis and feasibility assessments. Investors must consider factors such as location, accessibility, amenities and target demographics. By delivering high-quality, desirable accommodations, investors can sell them at a profit.

Partnership with Existing Facilities

Investors can partner with established holiday parks or resorts to offer their holiday lodges, glamping pods or park homes as part of the overall package. This collaboration can provide a win-win situation, as investors benefit from the infrastructure, marketing and customer base of an existing facility, while the park or resort gains additional accommodation options to offer its guests.

Partnerships can be structured in various ways, such as revenue-sharing agreements or lease agreements. This approach allows investors to tap into an existing market, leverage the reputation of the established facility and achieve higher occupancy rates.

Diversifying Revenue Streams

To maximise profitability, investors can explore additional revenue streams associated with holiday lodges, glamping pods and park homes. For instance, they can provide add-on services and amenities such as hot tubs, outdoor kitchens, bike rentals, or guided tours. Investors can also partner with local activity providers, such as hiking or water sports companies, to offer packages that include accommodation and activities.

Furthermore, investors can consider offering packages for special occasions, such as weddings, family reunions, or corporate retreats. Collaborating with event planners or wedding venues can help attract these types of bookings.

Capitalising on Airbnb and Online Platforms

Using popular online platforms like *Airbnb* can significantly boost occupancy rates and profitability. With millions of users worldwide, these platforms expose holiday lodges, glamping pods and park homes to a massive pool of potential guests.

Investors need to create attractive listings, optimise pricing strategies and ensure outstanding guest experiences to receive positive reviews, as these can increase visibility and attract a continuous stream of bookings.

Maintenance and Upgrades

Investors can also make money by providing maintenance and upgrade services for holiday lodges, glamping pods and park homes. These accommodations require regular upkeep to ensure they remain attractive and safe for guests. By offering maintenance and repair services, investors can establish a reliable revenue stream from property owners within their target market.

Furthermore, investors can identify opportunities for property upgrades or renovations. Updating furnishings, installing modern amenities, or incorporating sustainable features, can enhance the desirability and rental potential of the accommodation spaces. »

Updating furnishings, installing modern amenities, or incorporating sustainable features, can enhance the desirability and rental potential of the accommodation spaces

Raising Finance for your Holiday-Let Business

Investors seeking private finance for a holiday-let business have several options to consider. While securing financing can be challenging, with the right approach and preparation, it is possible to attract private investors. Here are some strategies to raise private finance for a holiday-let business:

- **Create a Business Plan:** A comprehensive business plan is essential to convince potential investors of the viability and profitability of your holiday-let business. Include information on the target market, location analysis, marketing strategies, projected financials, and a clear investment proposal. A well-crafted business plan demonstrates professionalism and provides potential investors with confidence in your venture.

- **Seek Angel Investors or VCs:** Angel investors and venture capital firms are experienced financiers interested in high-potential ventures. These investors can provide the necessary capital to start or expand your holiday-let business in exchange for equity or a share of the profits. Research and network within investor communities, attend pitch events or seek introductions through professional networks to connect with potential angel investors or venture capital firms interested in the hospitality sector.

- **Approach Friends and Family:** Friends and family can be a viable source of private finance for your holiday-let business. These individuals may have a personal interest in supporting your venture and can provide funds as a loan or equity investment. Be transparent about the risks and rewards of investing, and clearly outline your business plan and expected returns. It is important to maintain professional relationships and clearly define the terms of investment to avoid misunderstandings.

- **Use Crowdfunding Platforms:** Crowdfunding platforms, such as *Kickstarter* or *GoFundMe*, provide an opportunity to raise capital from a large number of individual investors who are interested in supporting innovative projects. Create a compelling campaign that showcases your holiday-let business concept, the value proposition and potential benefits for investors. In return for their financial support, offer backers incentives like discounted stays, merchandise or exclusive access to early bookings.

- **Peer-to-Peer Lending:** Peer-to-peer lending platforms connect borrowers directly with individual lenders. These platforms can provide an alternative to traditional bank loans. Prepare a strong loan proposal, highlighting the potential profitability of your holiday-let business and the measures taken to mitigate risks. Ensure you have a solid repayment plan and offer lenders competitive interest rates or other incentives to attract their investment.

Timber buildings are durable, cost-effective and can be constructed quickly

- **Real Estate Crowdfunding:** Real estate crowdfunding platforms specialise in property-related investments, including holiday-let businesses. These platforms pool funds from multiple investors to finance property acquisitions or development projects. By presenting your holiday-let business concept to potential investors on these platforms, you can attract individuals who are specifically interested in real estate investments. Be prepared to present the financial projections and offer attractive investment returns and benefits to entice potential backers.

- **Joint Ventures or Partnerships:** Consider approaching experienced individuals or companies in the holiday-let industry who may be interested in a joint venture or partnership. Their knowledge, expertise and existing customer base can significantly contribute to the success of your business. This arrangement can involve a capital contribution from your partner, a profit-sharing agreement or other mutually beneficial terms.

- **Lease Financing:** If you are looking to acquire or develop a property for your holiday-let business, lease financing can be an option. Investors or financial institutions may be willing to provide capital through a lease agreement, where you make regular payments for the use of the property over a specified period. Ensure you negotiate favourable terms, such as a purchase option or flexibility in lease structure, to provide you with potential long-term benefits.

- **Private Loans:** Private lenders, including private individuals or lending companies, may be willing to provide financing for your holiday-let business. These lenders often operate outside the traditional banking sector and offer more flexible terms and conditions. Prepare a solid business case and financial projections to demonstrate your ability to repay the loan. Be prepared to offer collateral or personal guarantees to mitigate the lender's risk.

When seeking private finance for a holiday-let business, it is important to approach potential investors with professionalism and a persuasive investment proposal. Clearly communicate your business concept, profitability potential, risk mitigation strategies and potential investor benefits. Building relationships, demonstrating your commitment and expertise and maintaining transparency throughout the process, will increase your chances of securing private finance for your holiday-let business. *Read more about raising finance in the rest of the magazine.*

Planning Permission

Planning permission for timber buildings, including park homes, glamping pods and holiday villages, is regulated by the local planning authorities in the UK. The rules and regulations surrounding planning permission can vary, so it's important to familiarise yourself with the specific guidelines applicable to your area. Here is an overview of planning permission requirements for timber buildings in the UK.

Park Homes:

Park homes, also known as mobile homes or static caravans, are a popular form of accommodation for holiday or residential purposes. These homes are often constructed with timber frames and designed to be easily transportable.

In most cases, planning permission is required for the placement of park homes. The regulations are governed by the Caravan Sites and Control of Development Act 1960 and the Mobile Homes Act 2013. Park homes are categorised as caravans under these acts and planning permission is necessary for the land on which they are situated.

When applying for planning permission, you will typically need to provide details about the location, appearance and layout of the park home(s) as well as the proposed use of the land. It's important to note that local planning authorities can impose restrictions on the number of park homes allowed on a particular site.

Glamping Pods:

Glamping pods are a form of luxury camping accommodation which have gained popularity in recent years. These timber structures are often compact and can offer a unique and comfortable outdoor experience for guests.

The planning permission requirements for glamping pods can vary depending on their size and design. In some cases, they may be considered temporary structures, similar to camping tents and may not require planning permission. However, if the glamping pods are intended for long-term or permanent use, planning permission is likely to be needed.

When applying for planning permission for glamping pods, you will need to provide information on their design, materials, size and location. Consideration will be given to the impact on the surrounding landscape, any potential noise or light pollution and access to facilities such as water and sanitation.

Holiday Villages:

Holiday villages, also known as holiday parks or resorts, offer a range of accommodation options and facilities for guests. These may include timber lodges, glamping pods, camping pitches and other amenities such as swimming pools, restaurants and entertainment facilities.

Planning permission is typically required for the development or expansion of holiday villages. It is important to consult with the local planning authority and adhere to their guidelines. The application process may involve providing detailed plans and designs, environmental impact assessments and considerations for infrastructure, access and facilities.

Considerations for Planning Permission:

When applying for planning permission for timber buildings such as park homes, glamping pods or holiday villages, there are several key considerations to keep in mind:

- **Local Development Plan:** Local planning authorities have adopted Local Development Plans which outline the policies and guidelines for development in a particular area. It's important to review these plans and ensure that your proposed timber building aligns with the designated land use and development restrictions.
- **Environmental Impact:** Planning authorities are keen to ensure that new developments do not have a detrimental impact on the environment. The submission of an environmental impact assessment may be required, particularly if the timber building will have implications for protected habitats, wildlife or areas of ecological importance.
- **Access and Infrastructure:** Consideration should be given to access roads, parking and utilities such as water, electricity and sewerage. The local planning authority may require you to provide details of these aspects, demonstrating that the proposed timber building will not place an excessive burden on existing infrastructure.
- **Design and Appearance:** The aesthetic considerations of timber buildings are important to planning authorities. Designs should be sympathetic to the local setting and consider factors such as materials, colours and architectural style. Visual impact assessments and 3D visualisations may be requested, to evaluate the proposed timber building's impact on the landscape and surrounding areas.
- **Amenities and Facilities:** Holiday villages often provide a range of amenities and facilities for guests. Planning authorities will want to ensure that the proposed development includes appropriate facilities to support the anticipated number of visitors, such as parking areas, waste disposal facilities and access to amenities like recreation areas or communal spaces.
- **Community Consultation:** In some cases, the local planning authority may require community consultation, particularly for larger developments or those which may have a significant impact on the local community. This can involve consulting with neighbours, local interest groups or the submission of a community impact statement.

INVESTORS NEED TO CREATE ATTRACTIVE LISTINGS, OPTIMISE PRICING STRATEGIES AND ENSURE OUTSTANDING GUEST EXPERIENCES TO RECEIVE POSITIVE REVIEWS

Nathan Winch
– Private investor

It's important to note that this information provides a general overview of the planning permission requirements for timber buildings in the UK. Each local planning authority has its own specific guidelines and considerations, so it is advisable to consult with the relevant authority for accurate and up-to-date information relating to your particular project. Additionally, seeking professional advice from architects, planning consultants or advisors with experience in the holiday accommodation sector, can help navigate the intricacies of the planning process – and increase the likelihood of obtaining planning permission for your timber buildings.

Browns Timber Buildings

At *Browns Garden Buildings*, we believe getting into the staycation industry is easy, cost effective and profitable. We are a timber building company, based just outside of Bolton, in a lovely town called Horwich – where we have traded from for almost twenty years. We operate from a small factory, where we hand craft and produce all our buildings by hand. »

Our tradesman or craftsmen, as we prefer to call them, plan and build beautifully designed timber buildings. These range from simple insulated garden rooms, all the way to full residential buildings and even the odd classroom extension. Our buildings add value to a property by as much as 15%, depending on the build and we can build standalone properties complete with utilities.

We build complete timber buildings such as glamping pods and park homes, for investors looking for a higher return from their holiday-let businesses. Make more by spending less, while also being environmentally friendly and sustainable.

All the images shown have been designed, crafted and built by *Browns Garden Buildings.*

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Disclaimer:
This article was written in August 2023. I am not an accountant or tax professional. You should always discuss your personal circumstances with an accredited tax professional and financial adviser, as legislation can change. Seek advice from relevant local authorities or planning advisors, before undertaking any building project.

Example Investment

Luxury 6x3m timber building, with UPVC windows and sliding patio doors; sleeps two to three, with facilities.

Purchase and Build Price:	£29,000
Average Nightly Rate:	£180
Occupancy Rate pa:	30%
Annual Income:	£19,800
Annual Costs:	£6,000
ROI per year:	48%

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THE ACCIDENTAL FEMALE DEVELOPER

BUILDING A MULTI-MILLION POUND DEVELOPMENT BUSINESS, WHILE OVERCOMING GRIEF, HARDSHIP AND DEBT

In the male-dominated world of property, a quiet revolution is taking place. Women, with their determination and passion, are brandishing hammers and blueprints and shattering that glass ceiling which has long confined their ambitions. With their growing presence and impact, they are transforming the physical landscape in an industry known for its formidable challenges.

Today, women are architects of change, actively shaping skylines and buildings that stand as testaments to their spirit. In this article, I'll share my story of how I became a property developer with no experience, after inheriting a debt-ridden business and having the odds stacked against me.

I hope that it inspires you and shows that 'anything is possible' when you put your mind to it. I'll also share some tips that I've learnt from both building the property business and building my 14,000 strong *Instagram* following, which generates a countless supply of opportunities, private investors and mentees.

Success is Not Accidental

Although the name on my birth certificate is Charlotte Edwards, I'm probably better known as the 'Accidental Female Developer' from my *Instagram* handle. The name perfectly sums up my story and although getting involved in property was a complete accident, the success I've achieved has been due to hard work and tenacity, especially when things went wrong.

Property was never really on my radar during my fifteen-year marketing career. However, in 2019, after the tragic loss of my 28-year-old brother, to a rare cancer and four months later, my 68-year-old father, due to lung cancer, my life took a significantly different turn.

I had watched my dad transform from a lorry driver into a property developer, with highs and lows, as I grew up, but he never wanted me to follow in his footsteps; believing a construction site was not a suitable workplace for his daughter.

He embodied the classic 'tradie-turned-developer' persona, running the business from the cab of his van and between sealing deals, he was sealing windows or digging trenches. He was the backbone of the business assuming every role: the builder, the salesman, the after-sales contact and everything in between. However, that lifestyle, combined with heavy smoking, took its toll. No amount of profit can buy back one's health.

In 2019, my father and brother acquired a 25-plot development site with full planning permission. Tragically, neither lived to see the first brick laid.

An Impossible Choice

Amid the grieving process, I faced a critical decision – should I take on the challenge of building the 25-plot development site or hand the keys back to the lender and walk away?

Despite my lack of experience, I seized the reins, leaving behind my career and committing to running the family business, *Dennis Edwards Homes*.

All knowledge about the business and the ongoing development site vanished with him when he passed, so starting from scratch was my reality. I didn't even have a copy of the plans!

The business was burdened by debt. For 12 months, during the pandemic, I worked without a wage and juggled the responsibilities of being the single mother of two.

Lacking funds to hire a site manager, I took on the role myself. I applied to several construction colleges to learn more but was repeatedly turned down, due to lack of experience. Even obtaining proper work attire posed a challenge, as local builders' merchants didn't stock PPE clothing or steel-toe capped boots in women's sizes.

The pressure of grieving and trying to learn the ropes, managing a construction site without any experience and knowing that I wouldn't turn a profit for two years, seriously affected my mental health. So, in 2020, I embarked on a year of therapy, which transformed my life; I realised I could conquer any challenge I set my mind to.

A Shift in Perspective

This shift in perspective marked a turning point for both the business and me. In the second year, the company actually reported its highest profits in its 30-year history. The systems and processes implemented, revolutionised purchasing, recruitment, health and safety and marketing for the business.

Against all the odds, the 25-unit, £7.7 million development, completed in 2022, with loans repaid and the family business steered into profitability. I am now living a life that I once dreamt of.

The Importance of Lifestyle

I'm no longer on-site. I primarily work from home, whether that's here in the UK or from the luxury of my Spanish property, adopting a more strategic CEO role, where I orchestrate the right individuals and components. Promoting the most adept tradespeople to site managers, allowing them to oversee the day-to-day operations and identifying exceptional specialists to collaborate with, enabled me to delegate most tasks.

Residing in Spain for a week every month resembles semi-retirement and given that my brother and father were denied the opportunity to retire, I refuse to take that chance, so I do savour the best of both worlds!

Motivated to offer others the same lifestyle, I've launched an online course titled 'Freedom Through Property,' designed to instruct individuals on investing in property to establish their own income streams.

Lifestyle holds greater significance to me than material prosperity. My aspirations centre around achieving an optimal work-life balance and minimising stress, not striving to become the largest builder or landlord.

I've achieved that equilibrium and although the allure of wanting more is ever-present, a glance at my family serves as a poignant reminder of what truly matters.

Lessons Learnt in Business:

- Step Away from the Tools – minimise your direct involvement in day-to-day tasks and focus on developing strategies, outsourcing and fostering future growth.
- Seek Exceptional Individuals – identify and collaborate with the best talent.
- Automate for Efficiency – utilise free software to automate repetitive tasks. E.g., *Google Forms* is great for data collection and management.

The Three Biggest Mistakes I Made Along the Way:

1. Trying To Be Superwoman

Taking on every single job I came across on a development site; cleaner, labourer, delivery driver, dinner lady, drainage expert, brick cleaner, architect, marketing, sales, interior designer, site manager. You name it, I did it.

The result? It prolonged the development because it was an inefficient way to work.

Now I delegate to others and I just oversee the process.

2. Ignoring My Gut or Trusting Too Easily

Ever get that feeling that a trade is lying, taking the p**s or brushing a problem under the carpet? Then they probably are!

I trusted a builder that wanted to finish a renovation project quickly, by not installing a damp course. I regretted taking his advice after the property had been replastered and damp patches started to appear around the walls. It culminated in the mortgage valuer recording an 'un-mortgageable' verdict, until the damp was repaired. Six weeks later and £2.5k lighter, the damp course was installed and I was able to refinance the property.

Trust your gut!

3. Running Out of Work

It's never a nice feeling, having to lay off people that work for you, but that's »

"SUCCESS DOESN'T COME FROM WHAT YOU DO OCCASIONALLY, IT COMES FROM WHAT YOU DO CONSISTENTLY"

Charlotte Edwards

the reality, if you don't keep your project pipeline stocked.

After two deals going wrong, I was left moving contractors from a site of 26 houses to one with three. Naturally, I had to downsize the workforce.

I wish I'd learnt this lesson earlier. Projects can take years to come to reality, so you have to keep that pipeline well stocked.

My Advice for Success in Business:

- Set Goals for the Year Ahead – write them down and revisit them often.
- Never Stop Learning – listen to podcasts every day to learn on the go, always look for information that's teaching you something new.
- Routine and Consistency – "Success doesn't come from what you do occasionally, it comes from what you do consistently." I live by this motto, with a framed reminder on my office wall.
- Mindset is Master – without a strong mindset, you won't make strong decisions. Work on your weaknesses, do therapy or whatever it takes to feel mentally strong.
- Surround Yourself with Like-Minded People – remove negative people from your life and network with people who are doing what you want to do.

Establish a Strong Brand:

- Colour Consistency – establish a distinctive colour associated with your personal branding.
- Showcase Yourself – people connect more profoundly with real individuals, not a logo.
- Maintain Consistency – regularly post content, in a consistent tone, about the same subjects.
- Provide Value – respond to questions and educate your audience, recognise that they follow you to learn and be inspired.
- Share Your Story – communicate what you do, how you do it and the benefits you offer to your audience.

Anything is Possible

I hope the article has shown you that anything is possible if you put your mind to it and you shouldn't wait to start building a life you love. If I can help you on your journey, contact me using the details below. Otherwise, follow me on *Instagram* and I look forward to connecting with you.

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MINDSET

THE TECHNIQUES USED TO DEVELOP OVER £100M OF UK PROPERTY AND HOW YOU CAN DO THE SAME

Can the right mindset boost profits on your next property development project and increase future business success?

Yes, absolutely!

The reason I believe that is because I've used specific mindset techniques over the last twenty years to develop over £100m worth of UK property and build multiple successful property businesses.

I'm Nicholas Wallwork, a multimillionaire property investor and developer; International *For Dummies* author, Angel Investor on the *SKY TV* show *Property Elevator*, national event speaker and accredited mentor and education provider.

I didn't achieve the success I have today solely through financial savvy. I've learnt how to harness the power of transformative mindset techniques, including meditation, affirmations, visualisation and the law of attraction, to reach my goals, overcome problems, win deals, attract investment and resolve the challenges that regularly appear in the world of property investment.

In this article, I'm excited to share key action points that you can use, to benefit from these powerful mindset techniques.

The Law of Attraction

Let's start with the 'Law of Attraction'. If you haven't heard of it before, the 'Law of Attraction' is a mindset technique where positive thoughts and emotions attract corresponding positive outcomes, shaping your reality and influencing success, relationships and opportunities.

Here are three actionable tips on how to use the 'Law of Attraction' to boost your property business success:

1. Set Clear Intentions:

- Define your specific property business goals, such as acquiring a certain number of properties, achieving a particular rental income or completing a successful development project.
- Write down your intentions as if they have already been achieved. Use present tense and positive language, focusing on what you want, rather than what you lack.

2. Visualise Successful Outcomes:

- Regularly spend time visualising your property business succeeding beyond your expectations.
- Imagine yourself receiving offers on properties, completing deals and enjoying financial abundance. Feel the excitement and gratitude, as if these scenarios are happening now.

3. Maintain Positive Energy:

- Surround yourself with positivity by avoiding negativity and doubt.
- Practice gratitude daily, by acknowledging the progress you've made in your property business. Expressing thanks for both small and big achievements aligns your energy with abundance.

Remember, the 'Law of Attraction' works when you combine **intention** with **action**. While manifesting success through your thoughts and feelings, you must take practical steps towards your property business goals, to make your visions a reality.

I firmly believe that my career trajectory would have been far slower without my commitment to mindset practices. I attribute 80% of my success to mindset training, however, learning these techniques is just the start; it takes dedication, positivity and resilience to overcome the challenges of being a property developer.

Meditation

'Meditation' is a core part of my regular mindset routine. Here are three benefits of daily meditation practice:

1. Enhanced Focus and Decision Making:

Benefit: Meditation cultivates a focused and clear mind, which is crucial for making informed decisions in your property business.

Actionable Points:

- Set aside time each morning to meditate for 5-10 minutes. Find a quiet space and sit comfortably.
- During your meditation, practice mindfulness by observing your breathing. Whenever your mind wanders, gently bring your attention back to your breathing.

Nicholas Wallwork

- Over time, this practice enhances your ability to stay focused during property negotiations, analyse market trends and make well-calculated decisions.

2. Stress Reduction and Resilience:

Benefit: Daily meditation helps reduce stress and enhances your ability to handle the pressures and uncertainties of the property industry with resilience.

Actionable Points:

- During meditation, visualise stress dissipating as you exhale. Inhale positivity and calmness. This simple technique helps you manage stress effectively.
- By cultivating resilience through meditation, you'll remain composed during challenging negotiations, market fluctuations and unexpected hurdles.

3. Creative Problem Solving and Innovation:

Benefit: Regular meditation stimulates creative thinking and innovative problem solving – both valuable assets in the property business. »

Actionable Points:

- Allocate time before bed, for a longer meditation session once or twice a week if you can, around 20-30 minutes. This is when your mind is more receptive to insights and ideas.
- As you meditate, visualise yourself successfully overcoming complex property-related challenges. Imagine innovative solutions arising effortlessly.
- Keep a journal nearby to jot down any creative ideas or strategies that emerge during or after your meditation. Review these notes regularly, to implement new approaches in your business.

By incorporating daily meditation into your routine, you can harness its benefits to improve your focus, manage stress and foster creative problem-solving. These advantages will undoubtedly contribute to your property business success in the long run.

Positive Affirmations

Another technique I regularly practice, is the use of 'Positive Affirmations'. 'Positive Affirmations' are short, uplifting statements that reinforce a positive mindset and foster self-belief and success.

Use these three tips, to get yourself started with this technique:

1. Choose Specific Affirmations:

Select affirmations that directly relate to your business goals and mindset. For instance, if you're aiming to expand your property portfolio, use affirmations like, "I am attracting lucrative property deals," or "My property investments bring me abundant wealth."

2. Incorporate Emotion and Visualisation:

Feel the power of your affirmations by saying them with genuine emotion and conviction.

While repeating affirmations, visualise yourself achieving the desired outcomes. Imagine the details of success vividly, engaging all your senses.

3. Consistent Daily Practice:

Set aside dedicated time each day, preferably in the morning or before bed, to repeat your affirmations.

Make it a habit to recite affirmations consistently, turning them into a positive daily ritual that bolsters your confidence and focus for business success.

Visualisation

'Visualisation' is another powerful way to manifest your goals, helping you to focus your goals and reinforce where you want to be. Here's how to use 'visualisation' to boost your business success:

Nicholas is an Angel Investor on Property Elevator and author of International Real Estate for Dummies

1. Problem-Solving Scenarios:

- Visualise encountering challenges or setbacks in your business. See yourself calmly and creatively resolving these issues.
- Imagine the satisfaction of overcoming obstacles, as this primes your mind to tackle real-life problems with confidence.

2. Presentation and Pitching:

- If you have important presentations or pitches, mentally rehearse the entire process. Visualise yourself speaking confidently, engaging your audience and answering questions smoothly.
- Incorporate specific details, like the room setup and your audience's reactions, to make your mental rehearsal more immersive.

3. Future Success Visualisation:

- Project yourself into the future, imagining your business as a resounding success.
- Picture media coverage, testimonials from satisfied customers and a thriving team.
- Feel the sense of accomplishment and fulfilment that comes with your vision becoming a reality.

Visualisation is most effective when practiced consistently. Set aside time each day for these exercises and combine them with actionable steps, to turn your mental images into tangible achievements.

Vision Boards

Creating a 'visualisation' or vision board is a great way to stay focused on your goals. Here's how to make your own:

- **Gather Supplies:** Get a poster board, corkboard or a digital platform, where you can create your vision board.

- **Define Your Goals:** Clearly outline your financial goals. Do you want to buy a property, earn a certain income or pay off debt? Be specific.

- **Collect Visuals:** Find images that represent your financial goals. This could include pictures of properties you aspire to own, places you want to travel or items you desire.

- **Gather Words and Affirmations:** Collect words, phrases and affirmations that resonate with your financial aspirations. Use positive language and present tense.

- **Arrange and Organise:** Arrange your visuals and words on the board. You can organise them by themes or importance.

- **Add a Personal Touch:** Include a photo of yourself on the board. This helps you connect with the vision more personally.

- **Place it Where You'll See it:** Put your vision board in a spot where you'll see it every day, like your bedroom or workspace.

- **Daily Visualisation Practice:** Spend a few minutes each day looking at your board. Close your eyes and imagine each goal as if it's already achieved.

- **Feel the Emotions:** As you visualise, feel the emotions associated with your goals. Imagine the joy, pride and excitement of reaching them.

- **Update and Revise:** Regularly update your board as you achieve goals or refine your aspirations. Keep it aligned with your evolving dreams.

- **Stay Consistent:** Make daily visualisation a habit. The more consistent you are, the more effective it will be.

- **Believe and Trust:** Have faith in the process. Trust that your efforts will manifest into reality.

Remember, your vision board is a physical and visual representation of your dreams. By consistently focusing on it with intention and positive emotion, you're harnessing the 'Law of Attraction' to work in your favour and guide you towards financial success.

It's All in the Mind

My journey shows that success relies on both practical skills and mindset. Meditation, mindfulness and affirmations empower us to overcome challenges and seize opportunities. With a resilient, positive mindset, even ambitious goals are attainable. That's a core reason why I created **WealthLabs.co.uk**, a wealth-building platform that offers education (much of it free) in all areas of wealth-building strategies (property included) combined with the mindset training you need to go with it.

Join me on **WealthLabs.co.uk** for more, free mindset (and wealth-building) education.

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REDEFINING PROPERTY FINANCE

THE DUAL DYNAMIC OF CROWDFUNDING FOR BORROWING AND INVESTMENT

In recent years, the UK's property market has significantly transformed due to the emergence of crowdfunding platforms. These platforms have disrupted the traditional property market, allowing individuals to participate in property transactions, without the need for substantial capital or the burdens of property ownership. Crowdfunding presents both borrowers and investors with a range of opportunities, democratising access to the property market and diversifying investment options. In this article, I will explore the concept of crowdfunding for property projects in the UK, its benefits, risks and how both borrowers and investors can capitalise on this rising trend.

Understanding Crowdfunding

Crowdfunding for property projects involves pooling small amounts of capital from multiple investors to finance property acquisitions, development projects or other property ventures. These investors may be looking to diversify their portfolios and gain exposure to the property market, without committing large sums of money.

The rise of innovative platforms like ours has made crowdfunding accessible to a broader audience, an attractive option for both borrowers and investors.

Benefits for Borrowers:

1. **Access to Capital:** Offers a unique opportunity for developers and property owners to access capital for their projects, without relying solely on traditional lenders. This democratisation of finance allows smaller developers and startups to bring their projects to life.
2. **Speed and Efficiency:** Allows borrowers to access funds quickly and efficiently once the project meets the necessary criteria, unlike time consuming and bureaucratic bank loans.
3. **Diverse Funding Sources:** Borrowers can raise capital from a diverse group of investors, reducing dependency on a single source and potentially diversifying risk.
4. **Enhanced Market Exposure:** An online marketplace, where borrowers can showcase their projects to a wider audience, increasing visibility and attracting potential investors.

Benefits for Investors:

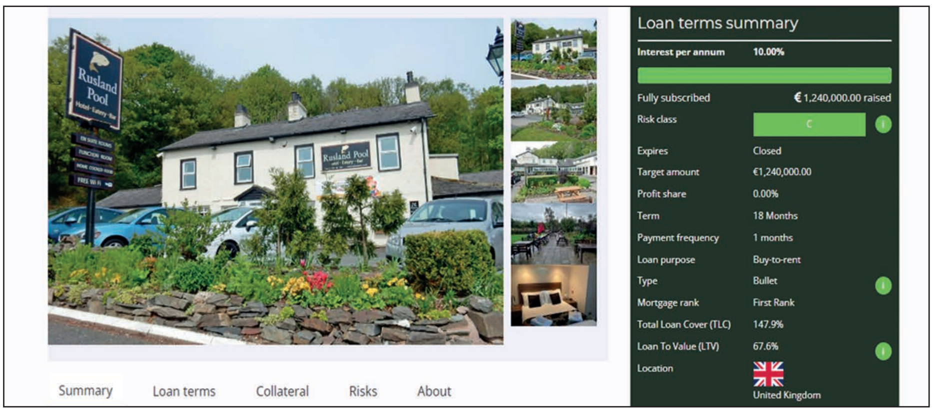
1. **Diversification:** Enables investors to spread their capital across multiple properties or projects, reducing overall investment risk, particularly attractive for investors looking to avoid overexposure in a single property.
2. **Lower Barriers to Entry:** Allows investors to participate with smaller amounts, making it accessible to more people, unlike traditional property investments. E.g., ours has a low investment level of just £100).
3. **Hands-Off Investment:** An opportunity to invest, without the responsibilities of property management. The platform handles property management tasks, while investors can monitor their investments.
4. **Potential for Attractive Returns:** Often offers competitive returns compared to traditional investment options, appealing to investors seeking higher yields. E.g., ours offers yields between 10% and 15%.

Risks:

a. **Market Volatility:** Property carries market risks, which can impact the performance of crowdfunding projects. Economic downturns or changes in property market conditions, can affect property values and rental income.

Mark Lloyd

b. **Project Risks:** Delays in construction, cost overruns or unforeseen complications, can affect the project's success and the potential returns for investors.
c. **Platform Reliability:** Investors must conduct thorough research when choosing a reputable platform, with a proven track record of credibility and reliability.
d. **Lack of Liquidity:** Investors should be prepared to hold their investments for the project's duration, which can range from several months to several years.



421 investors in 22 days and 47 minutes

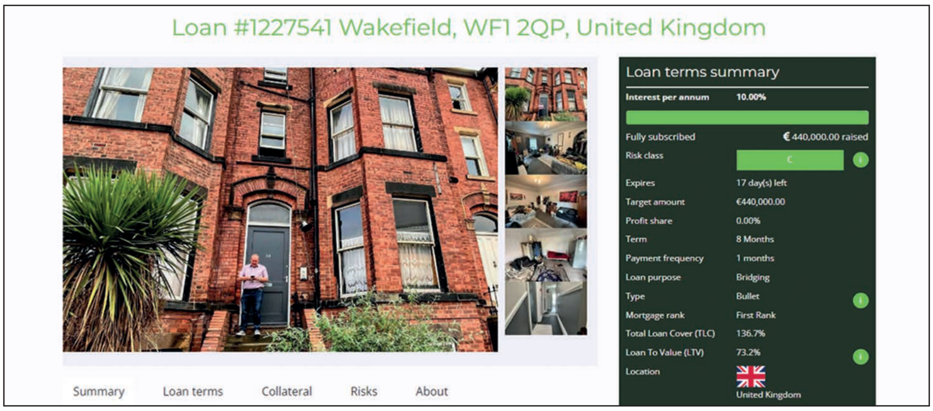
Navigating the Crowdfunding Process

For Borrowers:

1. **Project Preparation**: Thoroughly prepare projects before seeking crowdfunding, including detailed project plans, financial projections and a clear vision of the intended outcomes.
2. **Choosing the Right Platform**: Select a crowdfunding platform that aligns with the project type and funding requirements.
3. **Presenting the Project**: Clearly communicate the project's potential and benefits, with an appealing, detailed and visual presentation, to attract potential investors.
4. **Engaging with Investors**: Responding promptly to investor inquiries and providing regular updates can build trust and confidence in the project's progress.

For Investors:

1. **Due Diligence**: Prior to investing, conduct thorough due diligence on the crowdfunding platform, the borrower's track record and the specifics of the project.
2. **Risk Management**: Diversifying investments across multiple projects and platforms can mitigate risks and reduce exposure to individual projects.
3. **Understanding Investment Terms**: Carefully review the terms and conditions of the investment, including expected returns, holding periods and exit strategies.
4. **Monitoring Investments**: Staying updated on project progress and the overall performance of the portfolio, is essential to make informed decisions.



375 investors in 9 days, 1 hour and 48 minutes

Conclusion

Crowdfunding is an appealing option for both borrowers and investors alike. It has introduced a revolutionary way for borrowers to access capital and investors to participate in the property market. With proper due diligence and an understanding of the crowdfunding process, investors can tap into this rising trend to benefit from the UK's dynamic property market.

We launched our crowdfunding platform two years ago and currently operate in six countries: UK, Netherlands, Belgium, Germany, Sweden and New Zealand. By the end of 2023 we are hoping to be operational in all EU countries.

Since launch, we have raised over €50m for property projects, with average returns for investors of over 11%.

THROUGH THE EYES OF A VC

A VENTURE CAPITALIST'S ADVICE ON RAISING FINANCE AND INVESTING IN BUSINESSES

I have met many people who dream of investing in businesses and it's a natural transgression for a lot of property investors. I can see the appeal, since investing in start-ups can generate huge rewards. However, despite the financial incentive, it is also one of the riskiest investment strategies you can use.

My name is Jerome Joaug and I'm an experienced investor that predominately focuses on tech start-ups and property. My journey started when I built my first business, a nano-tech company, dedicated to increasing the lifespan of batteries and sold it for £40,000,000. I then went on to build my second business, which I exited for £10,000,000, and I have been working as a venture capitalist (VC) ever since.

In this article, I want to help you see through the eyes of a venture capitalist, so that you have a better idea of what investors look for before financing deals. I'll also give you some insights into the world of business investment and some of the things you can do if this is one of your aspirations.

Be the Business that Makes Sense

Tech start-ups are often the most profitable (and normally the riskiest) businesses to invest in. This is because they are creating something new and innovative, which usually means that there is little competition in the market, providing they survive the early stages of being a start-up.

However, if you're a property business, you are likely surrounded by competitors. Therefore, if you're going to raise private finance or become the go-to person for people to sell their houses to, then you need to stand out.

My advice is 'to be the business that makes sense'. Offer your customer the most value. In your case, your customers might be the investors you're trying to attract. You need to know your customer's pain points, like having their cash depreciate in the bank, and be able to measure them in financial terms, where possible. For example, how much money is an investor losing to inflation each year on average? Once you have your customer's pain, create the solution, including the exact return on investment (ROI) you intend to give them.

This is how I identify businesses to invest in. I look for the ones that have the strongest value proposition. The ones that give their customers the most value for their money.

Also, know your numbers and, if you're investing in a business, then make sure the owners know their numbers. Serious investors are figure driven. You should know every cost and have details of your expected

Jerome Joaug

profit. Few things are less attractive to an investor than someone who does not know the key metrics of their own business or, in your case, property deal.

Core Business Skills Investors Look For

The hardest and most important challenge isn't building the product, it's building a team. Strong teams are hard to build and weak ones can collapse an entire organisation. Before I invest in any start-up, I ensure that there is a strong team in place that can weather any storm.

In property terms, this refers to the team used to undertake the project, like the architect and contractors you use. You might not be the most experienced person in the world, but an investor might overlook this, if you are surrounded by people who have years of credibility in the industry.

Build a strong team of people to work on your projects that are honest, have a verified track record of past projects and have the relevant experience to carry out the job.

Two of the most useful and often overlooked skills in business are negotiation and presentation. Good leaders have both these skills in abundance. If you're a talented negotiator, then you'll be able to barter purchase prices down on property deals and keep your costs low. Being able to present effectively, will build confidence in investors, when you give them your proposal.

The Importance of Numbers When Investing in a Business

Maybe, rather than looking to raise investment, you want to invest in businesses yourself. If this is you, then you'll find the advice below helpful.

Earlier in my article, I said that it's important for business owners to know their numbers. Two numbers that are often missed are the 'churn rate' and 'customer lifetime value'. I.e., the annual percentage rate at which customers stop subscribing to a product or service and how long they stay around for after buying.

This information is important because it can look great on paper if a hundred new customers are coming on board per month, but if they're all dropping off two weeks later, then this has a huge effect on a business's profits.

Try not to become too overly impressed with big numbers, even when it comes to property projects, like large developments. Yes, making a £100k profit looks good, but, if you analyse how much time and resources have been put into the business, you'll often find that the £100k profit has come with £150,000 of work. Time has value.

How I Invest in Businesses

Investing in businesses isn't like investing in property, where typically you only have a handful of projects on the go at once and you expect all of them to end profitably.

When you invest in businesses, you expect that at least 50% of them will fail. Therefore, I prefer to spread the risk, investing lower amounts of money across a large portfolio. I aim for at least ten times the return, so, even if I only invest £5k, then this is a good return for me. I even have one business in my portfolio that made me a two-hundred times return on investment! However, I invest in tech start-ups, where the business is trying to scale and sell for millions, if not billions, so this can differ based on the industry you're investing in.

The difficulty with investing in businesses, is that your main source of information is the founder and if the founder decides that they don't want the stress of updating investors, then they can just stop replying to you and there isn't much you can do.

This is why human relationships play such an important role in all areas of business, whether that's when you're investing in a start-up or putting your money into a property deal. Ultimately, it is the people that make or break an opportunity.

Become the Obvious Choice

I hope that this article has helped you to see things through the eyes of a financier and given you some useful insights, that you can use to raise more finance for your property deals.

If you have any questions about this article, or if you'd like to connect, then find me on *LinkedIn*.

SMALL SELF-ADMINISTERED SCHEME (SSAS) PENSIONS

THE PERSONAL INVESTMENT BANK YOU DIDN'T KNOW YOU HAD ACCESS TO

Are You SSAS Curious?

Please forgive the oblique reference to life preference, but it's difficult to know how to catch the eye and ask you to read about pensions. Pensions are often the vanilla investment options in a world that craves variety. However, it is often the quiet conservative types, which reveal an interesting side.

If your adviser/investment guru left out that loaded word 'pension' and simply asked you: "Would you be interested in having your own 'investment bank' where...

- "You can combine your own investments with those of your family (or wider social/business group) to forge a large-scale 'investment bank' and create an inter-generational legacy plan?
- "You invest on day one and the taxman, His Majesty's Revenue and Customs (HMRC) pays you back all the tax you paid getting that capital in the first place, there and then?
- "From day one, the 'investment bank' assets and all the growth it ever makes, will be outside of your estate and available to your beneficiaries, all free from inheritance tax?
- "You don't pay taxes on the investment growth?
- "In broad terms, when you take money from the bank, the first quarter will be tax free and where the balance is only charged income tax (i.e., no national insurance)?
- "You get to choose how much and how often you take income from this investment, leaving the rest to grow, tax free, for you (or your beneficiaries)?
- "You can invest in anything you like (with two notable exceptions)?
- "The assets of the 'investment bank' are protected from creditors, if you or your company get into financial trouble?"

If you're still reading, you may be curious, but are you 'SSAS curious'?!

Why is this Good for Business Owners?

Almost religiously, business owners will point to their business as the growth engine for their wealth and that tying money up, or giving up control of investment decision making, is alien to them. Many point out that they need a bank they can control. Business owners need a bank that helps their businesses grow today and, where the rules for lending are known.

If you actually had a bank like that, how great would that be?

How great would it be if you even owned that 'investment bank', a bank where no tax was paid on the profits and where the dividends came to you partially tax free?

HMRC... the unlikely designer of your own tax free 'investment bank'.

Would you consider it possible that HMRC might help you, by designing an 'investment bank' just for you and your business objectives? (Stop laughing!)

Well, surprisingly the taxman purposefully designed this for you, giving you:

- All your tax back on up to £60,000 of new investment, per person, each year.
- The opportunity to finance (lend to) your company from your bank or,
- The opportunity to buy business premises for your company, from bank capital.

Lars Singleton

What is a SSAS?

I have talked about a hypothetical 'investment bank' above, but now it's time to get real and bring us down to earth. It's time to reintroduce that word, 'pension!'

This 'investment bank' actually exists, as outlined above and was designed by HMRC, back in the 1970s. It is one of the original private pensions and is known as a Small Self-Administered Scheme or SSAS.

'Small'

The 'Small' in Small Self-Administered Scheme, means that you can have up to eleven members in the scheme. Because each member of the scheme must be a controller or trustee of the pension scheme, it means you can have up to eleven decision makers. Fortunately, it is normal for a SSAS to have between two and five members, which works perfectly for family business groups. Because members of the pension scheme have to be trustees, they are often called 'member trustees'.

'Self-Administered'

The 'Self-Administered' in Small Self-Administered Scheme, means that the member trustees of the pension scheme have the responsibility to choose investments and run the scheme. Trustees are financially responsible for complying with HMRC rules. They will have help from a professional 'scheme administrator' (a responsible party, also answering to HMRC and the Pensions Regulator). There may also be an 'independent trustee' (who is not a member) that helps guide the decisions of the member trustees.

So, the point here is that, with this powerful 'investment bank', that helps you save tax while financing your business, you have responsibilities, but you are not on your own.

'Scheme'

The 'Scheme' in Small Self-Administered Scheme, normally refers to the nature of the pension, in that it is set up for the employees of a company, so naturally enough, you need to have a working company to have one.

As a business owner, you could just pick a pension 'off the shelf', from an insurance company provider such as *Standard Life* or *Aviva*. However, all pension providers choose the group of investments that their clients can invest in, from HMRCs 'long list'. Essentially, the business of pension providers, is managing money. Providers are generally sound investment managers, a service for which they charge you and they provide the pension wrapper that suits their business, not necessarily yours. This is why most business owners see pensions not as an aid to them, but as a grudging necessity, or not at all.

If you want the full list of investment options, then you need to have that control of the investments available. Fortunately, HMRC gives your company the option to apply directly to them, for your very own pension scheme. In doing so, with the right scheme 'rules', you get to choose from the full list of investments **they allow**.

What Are the Investment Choices?

HMRC's pensions (tax) manual states: "Although the tax rules for registered pension schemes do not impose any restrictions on the types of assets a pension scheme can invest in, there are tax charges in relation to certain types of investment."

HMRC do not want you to discover or use a clever wrangle that takes value out of the pension. It is, after all… your pension!

They certainly don't want you handing that value, from your pension to you, your company or people and companies connected to you. You don't have to worry too much about that because your scheme administrator and independent trustee are there to keep you within HMRC's rules.

In addition, there are two main areas that HMRC do not wish you to invest, these being:

Residential property, fit for human habitation – so an ordinary house, in which an ordinary person would live. It cannot be owned directly or indirectly ('indirectly' means the pension owning the shares of an investment company that then owns the property).

Tangible, moveable items – this means anything that can be touched and can move. Therefore, no stamp collections, no cars, yachts, racehorses, wine collections etc., etc.,

So, What Does That Leave?

Well, in short, this leave every choice you ever had, in every other type of pension, so you are not missing out by having a SSAS. However, there are many other investments you could consider, including:

- A loan to the company that the SSAS is associated with (called an 'Establishing Employer').
- Commercial property and land – including a property in which your company is a tenant.
- Shares listed on a stock exchange or in other private companies.
- Hedge funds or other 'sophisticated' investments.
- Loans to unconnected people or businesses.
- Crypto assets.
- Financial Instruments (a contract that gives rise to a financial asset in one entity and a financial liability or equity instrument of another entity).
- Any other weird and wacky things that you can think of….

Now, it is clear that HMRC are not just going to allow you spam your pension out on any old investment, especially if there is a chance that you might gain, what they would consider, an unauthorised benefit from, so

WHEN YOU TAKE MONEY FROM THE BANK, THE FIRST QUARTER WILL BE TAX FREE

the key is to carefully plan what you wish to invest in and take financial, investment or even business advice where necessary. You would also work closely with the scheme administrator because they have to sign it off as well, from a HMRC compliance point of view. There are many scheme administrators and they all have their own commercial rules, so don't expect all scheme administrators to agree. When you are picking a scheme administrator, you need to interview them and tell them what your plan is. While it is possible to change scheme administrators, it is better to start with the right one for your plan.

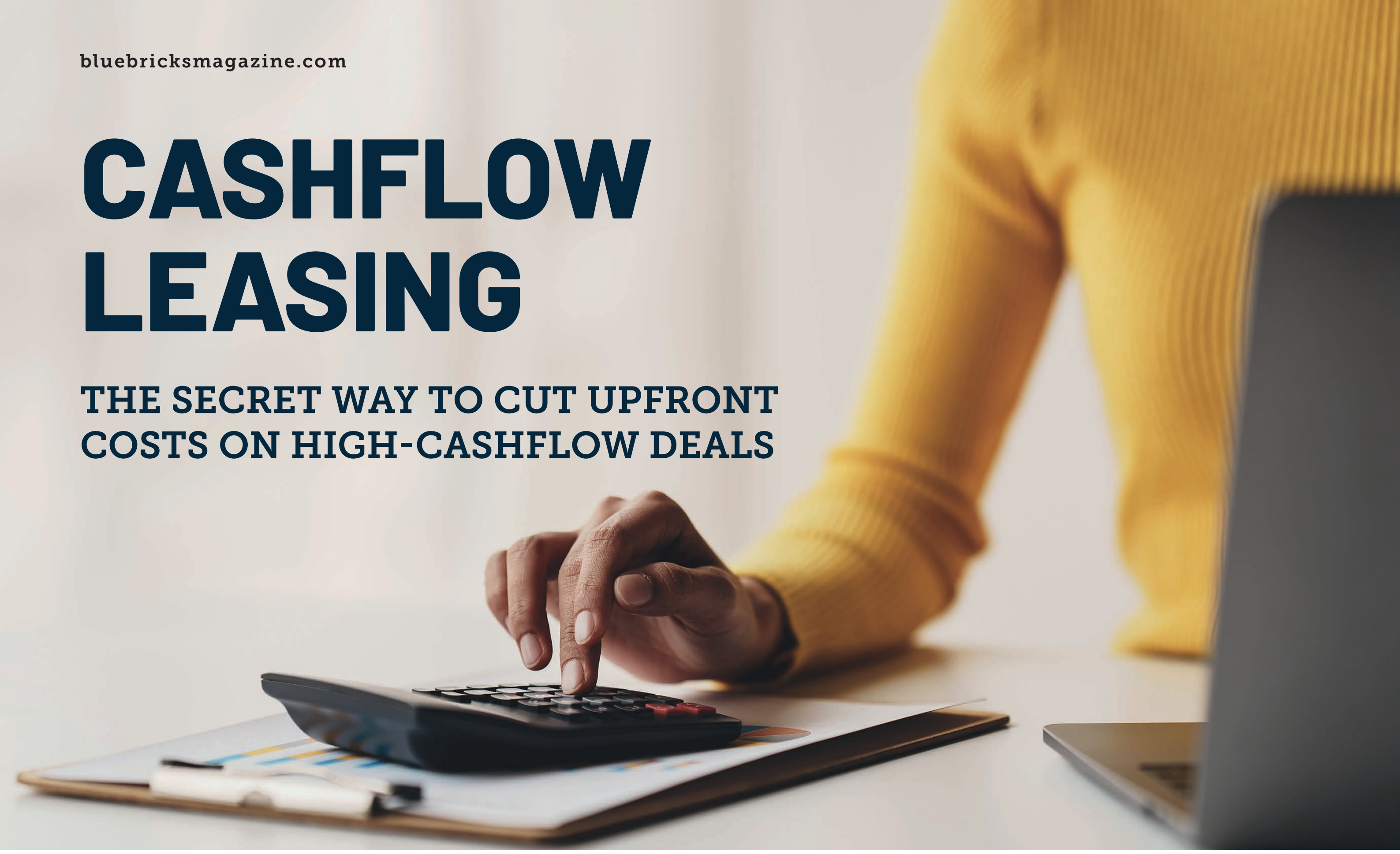
Another thing to bear in mind, is that there are no investor safety nets here. If you pick a poor investment, then it's on you. You generally do not have access to the Financial Services Compensation Scheme unless the investment is regulated by the Financial Conduct Authority (FCA).

But, if you comply with the rules, the power of SSAS to create wealth is astonishing, for example, with the loan from SSAS to your company, you can use it for ANY business purpose, be that growing the company you have, or starting a new one. This is why we sometimes refer to a SSAS as having your own bank.

So, Are You SSAS Curious?

If you are and you want to know more, unsurprisingly, there is quite a bit of detail you would want to know before jumping in. Many SSAS scheme administrators provide a consultation service for the SSAS curious. There are also many SSAS 'networking groups' in most of the major cities around the country, such as London, Manchester, Leeds, Cardiff, Bristol and Glasgow etc., These networking groups can be found on *Facebook*, just search for SSAS and off you go.

If you'd like to know more about how *Empowered Pensions* can help you, we run a weekly, free online question and answer session, every Monday morning. Please enquire for the invitation to this session at **corporatetrustees@empoweredtrustees.co.uk** and I hope we can help you change your perceptions of what pensions can do for you.



CASHFLOW LEASING

THE SECRET WAY TO CUT UPFRONT COSTS ON HIGH-CASHFLOW DEALS

Cashflow leasing introduces an innovative approach for property investors to reduce upfront costs on property purchases. This method is particularly relevant for investment strategies with strong cashflow, like houses in multiple occupation (HMO) or Serviced Accommodation (SA) properties.

In this article, I'll explain cashflow leasing and how you can use it in your own business to save money on taxes, increase rental income and spread your capital across multiple property deals.

What is Cashflow Leasing?

Cashflow leasing works similarly to a conventional lease arrangement. Instead of an upfront lump sum, expenses are distributed across several months, typically spanning up to three years. However, the distinction lies in its application – rather than financing a car or a new watch, it serves as a funding mechanism for furniture acquisition.

Furniture comes with a substantial price tag; a single sofa alone can range from £1,500 to £2,000. When combined with dining tables, beds, wardrobes, and other household essentials, the investment required to get a property photoshoot ready can easily exceed £10,000.

These costs rise even further when furnishing high-end holiday homes or an HMO with a large number of rooms. For many investors, venturing into Rent2SA (R2SA) or Rent2HMO (R2HMO) scenarios, limited capital poses a challenge. This means that the idea of investing in furniture has the potential to break what initially seemed like a lucrative deal.

What Are the Benefits of Cashflow Leasing for Your Property Business?

It is no secret that both the HMO and SA strategies have become increasingly competitive. It seems that many more people are investing in this strategy every month, which makes it harder for established properties to stand out against the crowd and attract more guests or tenants.

One of the main ways to distinguish yourself, is to provide an experience rather than a property that looks like it's been furnished on a budget. Higher-end furniture attracts higher-class tenants and guests. If you're investing in HMOs, then a nicely refurbished room means you can demand more rent and lower your void periods. If the SA strategy is more your thing, then you can charge more for your property per night and long-term guests will be more attracted to staying with you.

But the problem with this is that it can be expensive. Nice furniture rarely comes cheap, unless it's second-hand. Cashflow leasing allows you to buy the furniture your heart desires and split the cost over three years, meaning there is no upfront, blow to your bank balance and you can pay the finance off through the profits of your rental/nightly income.

An additional benefit to this strategy is that all payments are tax-deductible, offering further savings for your business.

Saving your capital also means that you can spread your money across multiple projects, rather than having one deal sap most of your savings.

Example Costs

Let's say that you want to buy a brand-new sofa. You're going »

AN ADDITIONAL BENEFIT TO THIS STRATEGY IS THAT ALL PAYMENTS ARE TAX-DEDUCTIBLE

high-end and the one you have your eye on costs £6,000. You've already paid a fortune in purchasing fees, renovation costs and bridging finance repayments. Spending another £6,000, that could instead be invested into another deal, just isn't feasible.

If you were to lease this sofa, then the costs could look something like the below. However, it is worth noting that this price can vary and homeowners tend to get better rates than those who don't own a property.

Value:	£6,000
– Lease Value:	£5,000
Repayment Terms:	3 years
Monthly Premium:	£201.02
Overall Cost:	£7,236.90
Interest Paid:	£2,236.90
Corporation Tax Relief:	£1,375.01
Nett Cost of Finance:	£861.89
Cost Per Year:	£287.30
Supplier Gets Paid:	£6,000 (£5000 + VAT)

Financing Refurbishments

As an added bonus that lies outside of furniture, you can lease materials for your refurbishments. This is another great way of lowering upfront costs and can also be used to protect large blows to your capital, if an unexpected problem arises when you commence work. The leased payments can then be paid off through your rental income or, can be paid off in one lump sum after sale or refinance.

Here to Help You Scale Your Portfolio, On a Budget

I hope that you have found this article useful and that it has opened your eyes to other finance options available to you, when you're faced with the daunting cost of furniture. I hope that, by lowering the barrier to entry, more people can begin to invest in property and create beautiful places for people to live, work and raise families.

If you want to explore how cashflow leasing can help you to grow your property portfolio, without needing to invest tens of thousands of pounds in furniture, then get in touch using the information below.

Claire Saunders

cashflowleasing.co.uk/other-partners
sales@cashflowleasing.co.uk

TOP TEN COSTLY MISTAKES INVESTORS MAKE WITH HMOS

SAVOYS PROPERTIES

Malkit Purewal and Sanjay Kumar are multi-award-winning developers, from *Savoys Properties*, who have been in property for 23 years, specialising in houses in multiple occupation (HMOs) for 13 years. The duo has featured in *The Times* and *Independent* newspapers, appeared on BBC Radio 4 and have won three times at the *Property Investor Awards*.

In this article, they share ten years' worth of advice on the HMO investment strategy, both from their own experience and mistakes and the errors they have seen other people make. In their expert words of wisdom, here are the top ten mistakes investors make with HMOs:

1. Not Investing or Delaying Investing in HMOs

The best thing we did was enter the HMO market ten years ago. It allowed us to make a significant monthly return from our investment in property. Ten years ago, that specific property in West Drayton, London, was sold to us for £200k. Today, the property, as a standard home, is worth £400k. Note, that although rents have risen over that time, they have not risen to the same level as house price inflation.

We also believe that in the next five years, based on the capital needed to purchase and convert the properties to HMOs, against the value of the return on investment (ROI) for the areas in which we currently operate HMOs, it will become uneconomical to make more HMOs. Put simply: properties are more expensive and rents are not high enough to recoup the investment made to convert properties into HMOs.

Therefore, we would recommend that you don't delay in investing in HMOs, if this is a strategy that you're interested in.

2. The Numbers Don't Lie

Never go into a project blind. Understand from the outset your HMO objectives, costs and the return you are hoping to achieve.

We have found that HMOs with less than five tenants is probably more profitable and better to be let as a family home. Six is the magic number on permitted development HMOs. We have found that six-bed HMOs works best in terms of management, ROI and bank valuations. We have to remember, even though we want to provide tenants with a great place to live, your HMO is a business and you need to treat it like a business to succeed.

3. Hiring a Poor Managing Agent

HMOs require a great deal of investment and careful, considerate management of the property for its tenants, so a poor managing agent, can negatively impact your investment.

When we initially started, we used an agent who said they specialised in HMOs, but within the first year of using them, we realised that the agent was simply not good enough. The agent ignored repair issues, did not follow up on tenant concerns and we ended up with too many voids. This eventually led us to starting *Savoys Properties*, to manage both ours and our client's properties.

We would recommend that you manage your HMOs yourself, if you are able to do so full time, otherwise, use a respected and proven specialist managing agent.

4. Do Not Mix Tenant Types

We have found that you typically have three types of tenants:

- Working professionals
- Students
- People claiming housing benefits

We have found mixing the types labelled above, together in the same HMO is a big NO and will likely result in tenants giving notice, leading to increased void periods. We would suggest placing similar tenant demographics together in the same HMO, try to consider their age ranges too, to ensure harmonious co-living.

5. Insurance

Insurance is very important when developing and managing HMOs. Over our 20 years in the business, we have seen investors and sometimes tenants, damage neighbouring properties, which resulted in expensive lawsuits as a consequence of the lack of adequate insurance cover.

In addition, we have come across many landlords who only have buy-to-let insurance for their HMOs, which is insufficient and leads to insurance being invalidated and the landlord liable for all costs.

We would recommend that you work with experienced insurance brokers, who understand your needs and ensure you are fully covered.

6. Gas or Electric?

HMO landlords need to decide whether your property will use electricity only or both electricity and gas.

An example of a HMO bedroom by Savoys Properties

Malkit Purewal and Sanjay Kumar

Gas Boilers require an annual *Gas Safe* landlord certificate and have to be proved to be a reliable source of hot water and heating. However, when boilers go wrong, it can be challenging to find someone to fix it within a short period of time.

Electric boilers are usually more compact, more efficient and cheaper to install than gas boiler systems. But a standard unit of electricity (kWh) typically costs at least three times more than a unit of gas, so your heating bills could be much higher than with gas.

With the tighter energy performance restrictions coming into place, it is important to get the correct energy supply in place.

7. Fire Risk Assessment

Many HMO landlords fail to carry out adequate fire risk assessments. Landlords have legal and regulatory responsibilities to ensure their rented properties and tenants are safe from fire. A fire risk assessment is evidence that you have fulfilled your responsibilities. Without one, you could be open to claims if there was a fire.

By conducting fire risk assessments on your private or social rental accommodation, you will be able to determine the likelihood of a fire starting, identifying danger to those in the immediate vicinity and ensuring those people know what to do in the event of a fire starting.

The aims of the fire risk assessment are unanimous:

- Identify any fire hazards
- Reduce the risk of those hazards causing harm, to as low as reasonably practicable
- Decide what physical fire precautions and management arrangements are necessary to ensure the safety of people in the premises if a fire does start

8. Undercharging Rent

It is important that you know the worth of your HMO and not to undercharge rent. When you own HMOs, you are running a business and the rent is set by the market. If you set the correct rent, then you'll make a good profit, which you can set aside for downturns in the market, like we experienced in 2020.

9. Picking the Wrong Street

Another mistake that we see investors making repeatedly, when purchasing HMOs, is buying property on the wrong street. HMOs are a profitable investment in most major cities and towns but there are exceptions.

If you are looking at an area that has a large student base with a university close by or if there are medium to large businesses nearby (a lot of employees) then these things will certainly help your HMO business. However, not all areas, postcodes or properties are created equally.

Even if you have done your research and the postcode looks good, it is still more than possible to buy a property on the wrong street, for use as an HMO. It might be too far from the shops. It might be too noisy at night. There can be many reasons why a particular street might be so undesirable that it can kill the long-term potential of the property.

10. Failing to Comply with Standards

We have seen many landlords create great HMOs only to fail at the last hurdle, by not maintaining their HMOs and failing to comply with standards.

Landlords need to ensure they carry out or arrange for specific experts to conduct the following activities on a regular basis:

- Annual gas safety checks with certification
- Procure an Electrical Inspection Condition Report (EICR)
- Obtain an emergency lights certificate
- Obtain a fire alarm tested certificate
- Conduct fire risk assessments

Failure to comply will see you falling foul with the local HMO officers, which may impact current and future HMO applications.

If you have found this article useful and if you have any questions regarding investing in HMOs, then you can connect with us on:

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