MAY/JUNE 2024 – ISSUE 28 – PRICE £12.95

Blue Bricks Magazine

EMMA FIELDING
THE COMPLETE GUIDE TO FLIPPING HOUSES

ADVICE FROM AN ANGEL INVESTOR

HOW TO AVOID SHARKS, FIND GOOD PEOPLE AND MAKE YOURSELF 'INVESTIBLE'

HELEN CHORLEY

KANE ANDREWS – DE-LEVERAGE YOUR WAY TO WEALTH

ANDY GRAHAM – FROM INVESTOR TO BUSINESS OWNER

ATHENA DOBSON – TAKING THE LEAP FROM FULL-TIME EMPLOYMENT

THE PROPERTY INVESTOR MAGAZINE

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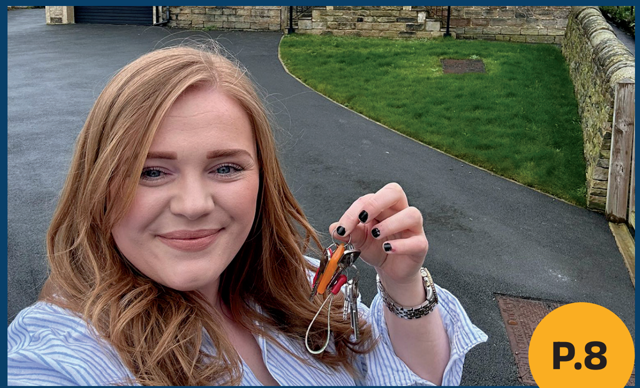

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EDITOR'S FOREWORD

Every time I sit down to write the editor's foreword, it takes me ten minutes of procrastination to decide what to say. It's almost like there is so much going on that it's hard to know where to start.

So let's touch on a topic that is affecting everyone in the industry: uncertainty. With a general election around the corner, it's hard to predict what the future holds.

But I won't use this column to make half-hearted guesses at what will happen if new legislation arrives, or if existing legislation changes.

Instead, I will say, that now more than ever, it is vital to stay updated on the world of property and keep a supportive community around you. By reading this magazine, you're already halfway there.

And I welcome you to join the Blue Bricks Community. On the 24th of June, we have our next event, which you can attend in person in Leeds or live stream online. Full details can be found on our website.

Now, onto this issue of Blue Bricks Magazine.

What to expect from Issue 28

Issue 28 of *Blue Bricks Magazine* holds a diverse range of content from highly experienced property professionals.

If you're starting out in property and are looking to replace your income, then ***Athena Dobson's*** article is perfect for you and provides some helpful tips.

If you're an experienced investor whose main problem is time, then both ***Kane Andrew's*** and ***Andy Graham's*** articles are perfect for helping you systemise your processes to get one step closer to that much-pursued 'financial freedom'.

And if raising finance is something that you either struggle with or want to know more about, then ***Helen Chorley*** has contributed a no-holds-barred article on what she, as an angel investor, looks for in both people and projects before investing her capital in them.

In short, this issue holds something for everyone, and if you read the advice inside and act on it, it will take you one step towards that next level.

So, enjoy the read! As ever, we welcome you to share your favourite article on social media and give us a tag at @bluebricksmagazine.

Yours always

Sam Cooke
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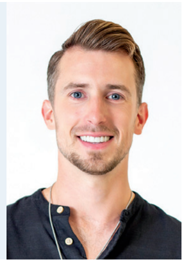
MEET THE COLUMNISTS

Emma Fielding

Emma has built a successful property-flipping business in her hometown of Barnsley, South Yorkshire. This stemmed from Emma renovating her own properties, starting with just £20,000. To date, Emma has flipped ten properties with another three in the pipeline and has raised over £2 million from angel investors.

Helen Chorley

Helen Chorley, Angel Investor on *SkyTV's "Property Elevator,"* stands as the epitome of transformation from a hard-nosed investment banker with *JPMorgan* to a warm and approachable figure in the realm of property investing in the UK. Co-founding the *Property Sisters* community, she not only shapes investments but passionately advocates for female recognition in the industry.



Kane Andrews

As an ex-professional drummer, Kane Andrews founded the award-winning *Rockstar Property Partners* in 2020, building on the foundations of his music and business knowledge that stretches back to the early 2000s. In addition to Kane's milestone achievements in property investment, he has combined his love of philanthropy and investment to give back to the High Wycombe community where he grew up.

Andy Hubbard

Andy is an expert in property development, starting from humble beginnings living in a rented house to achieving a huge amount of success in the industry. As an award-winning bricklayer and now a celebrated property developer, he is setting the standard for excellence in his field.

Natasha Collins

Natasha is the CEO of *NC Real Estate*, her firm of surveyors which specialises in supporting property investors to build commercial and mixed-use property portfolios in the UK. Natasha is a chartered surveyor, and her strengths lie in asset management and property investment strategy.

Tina Walsh

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

Malkit and Sanjay

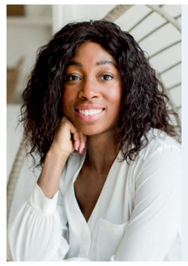
Malkit Purewal and Sanjay Kumar are multi-award-winning developers from Savoys Properties who have been in the industry for 20 years. They specialise in HMOs/conversions and have won awards in three categories at the Property Investor Awards 2020 and 2021.

Andy Graham

Andy Graham is a seasoned HMO property investor and serial entrepreneur with extensive experience across the UK since 2009. He has built multi-million-pound property portfolios, founded and exited a successful investment and management agency, and established *'The HMO Community®'* and *'The HMO Roadmap,'* the UK's most extensive online HMO training platform.

Athena Dobson

With more than five years of experience as a landlord, Athena made the leap from her stable corporate position two years ago to pursue her passion as a full-time property investor. Since then, Athena has overseen numerous businesses and property portfolios, dedicating herself to sharing her wealth of knowledge and expertise to aid and educate others on their own journey to success.



Kim Opszala

With her husband Mike, Kim is the co-founder of *KoMo Properties*, a property investment company specialising in acquiring and repurposing properties to create unique, amazing homes. Kim is also a multi-award-winning corporate solicitor with extensive experience advising on all areas of company and commercial law.

Vann Vogstad

Vann is a three-time tech marketplace disruptor who has set his sights on building AI and automation tools to solve HMO's biggest problems. *COHO*, the product of this effort, has grown to not only be the leading management tool for HMOs, but also for buy-to-lets and asset management.

John Penquet

John is a property insights expert, renowned for his forecasts and use of data to assist the industry in better understanding future market trends. He has co-created the property technology and data portal, *Ultimate Property Dashboard*, and supports businesses directly through *Flex Property Education*.

Nigel Bowers

Nigel has been in the finance industry since joining *Midland Bank* over 40 years ago. Founder of *Oxygen Business Finance*, he is all about the conversation to fully understand the issues at hand and use all his experience to find a finance solution that works.

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THE MARKET PULSE

KEEPING A FINGER ON THE PULSE OF THE PROPERTY MARKET

A MORE 'BALANCED' PROPERTY MARKET FOR 2024

House prices have risen by £89,500 over the past decade. That's according to the *House Price Index* from property portal *Zoopla*. It puts the cost of the average UK property today, in 2024, at £264,500, compared to £175,000 in 2014.

There was very little change from 2023 prices, with the cost of many properties dropping in certain areas of the country, especially in the south of England. The more affordable north, however, is a different story, with prices there growing monthly and where the annual property is valued at £142,000.

Construction of New Builds

The number of new homes built, fell in February this year, according to the most up-to-date construction data from the Office of National Statistics (ONS). This was down by 4%, comparing unfavourably to a 1.1% increase the previous month. Delays due to poor weather were the main culprit, according to *Beard Construction* finance director, Fraser Johns.

He also pointed to uncertainty in the market when it came to the pressures put on housebuilders by inflation on materials. Builders were also feeling the pinch that high interest rates were putting on profits.

Mortgages Remain High but More Affordable

Mortgage rates may have jumped twice since 2022, but house owners aren't struggling to pay as much today. According to the *Building Society Association (BSA) Property Tracker*, mortgage borrowers are more confident of meeting their monthly obligations than they were at the end of 2023.

RENTAL YIELDS WERE UP DURING THE LAST QUARTER OF 2023 – FROM 5.85% THE PREVIOUS YEAR'S QUARTER, TO 6.74%

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The number of new homes built, fell in February this year

In April, two-year fixed rates were sitting at 5.8% and five-year fixed rates at 5.39%. But there are suggestions that the *Bank of England* may reduce its current base rate of 5.25% this summer, provided inflation continues to fall.

In the meantime, more would-be homeowners are being approved for mortgages. To the extent that the figure is similar to pre-pandemic levels. The *Bank of England* revealed there were 32% more mortgage approvals in February this year, than at the same time last year.

But higher mortgage rates, plus the fact that property values are 13% higher than in 2021 – according to figures from *Zoopla's* April house price index – has resulted in a sluggish property market in the more expensive areas. The southwest, southeast and east of England, has seen the average cost of a mortgage rise by as much as £3,900.

More Homeowners Relocating for Better Deals

This has the effect of homeowners choosing to relocate to further afield, in order to buy the size of home they want, at a more affordable price. *Zoopla's* figures say this is occurring in up to one third of property moves.

One Million Property Sales Predicted for This Year

Property sales are up by 12%, compared to March 2023, with many property analysts predicting house sale completions of more than one million this year.

And there is an increase in the number of properties coming on the market to fuel that upturn. The latest survey from the *Royal Institute of Chartered Surveyors* (RICS) showed 13% of members reported an increase in new instructions, compared to the previous month. A further 8% said that the number of inquiries had risen. That's the largest amount of interest since the start of 2022. Other positive figures, such as a continual improvement in figures overall, leads the organisation to conclude that 2024 will be a stable year for the property market.

Price Increase for the Letting Sector – But More Repossessions

But it's not just buyer inquiries that are up. The RICS survey also showed an additional 3% of members had noted an increase in tenant demand for lettings, bringing that figure to almost one fifth of members. As a result, 34% of surveyors expect rental prices to rise within the next few months.

At the same time, the number of repossessions and arrears on buy-to-let mortgages has shot up – by as much as 56% in three months. Around 500 properties were repossessed in the last quarter of 2023. In addition, the number of buy-to-let mortgages in arrears, stood at 13,570. The lenders trade body, *UK Mortgage*, puts the figure at 123.9% higher than in the last quarter of 2022.

On a more positive note, for landlords, rental yields were up during the last quarter of 2023 – from 5.85% the previous year's quarter, to 6.74% going into 2024.

THE FOUR GOOD AND FOUR BAD HABITS OF PROPERTY INVESTORS IN 2024

Everyone seems to agree that a lot has changed in property over the past few years and that many old strategies and habits don't get the same results they once did. Despite this, many investors are making more money and having more success than they did before.

Over the years, our industry has changed, but old habits have remained – some good and some bad. Below are the four bad habits that could be holding you back as a property investor and the four good habits that you should make part of your routine, if you want to see massive success.

John Penquet

The Four Bad Habits

1. Focussing on Poor Performing Areas

For years, investors have been taught (incorrectly I might add) to seek below market value deals, as a strategic necessity. I'm not saying a good deal should not be pursued, but the fixation with below market value (BMV) often means you're looking at either the worst properties or the worst areas in which to invest. Sadly, investors often get caught in these locations. Common issues with this are:

- Inability to grow and scale because the property values don't rise as much as elsewhere.
- Additional costs due to the poor condition of properties.
- Low cashflow because of low demand for housing in that area.
- Undervaluation when refinancing.

2. 'Doom-Scrolling' Leads

Finding time to search for property is an essential action for all investors. Many assume this involves checking *Rightmove*, then *Zoopla*, then *On the Market* and then onto commercial sites and so on. This is a massive resource drain. Not only is covering the whole market very time consuming, 'doom scrollers' may miss property opportunities due to human error.

3. Investing Solely for Rental Income

I know cashflow is king when it comes to property, especially for those just starting out, but by only focusing on this, many investors miss out on the returns achievable through asset appreciation, leveraging and secondary income sources. Furthermore, many don't invest time to understand how cashflow can grow and how this is directly related to demand.

4. Not Calculating Compounding (The Eighth Wonder of The World)

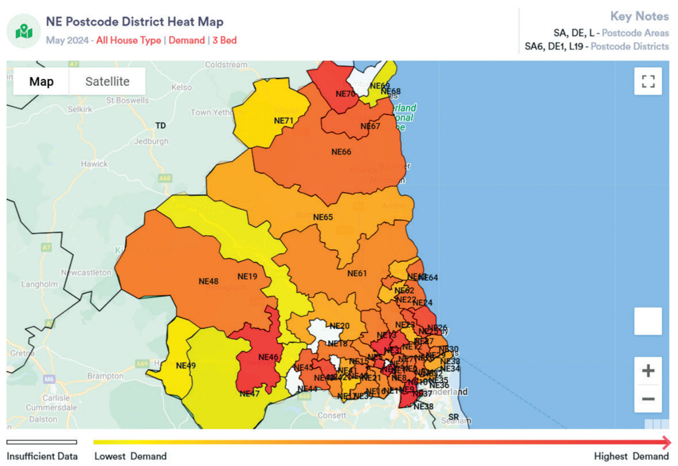
Almost all the analysis I see from my clients and contacts measure the market conditions today. It is rare to see forecasting and projection for future growth. As you may know, areas and types of property grow at different rates and at different times, so knowing what's hot and what's not, is often absent.

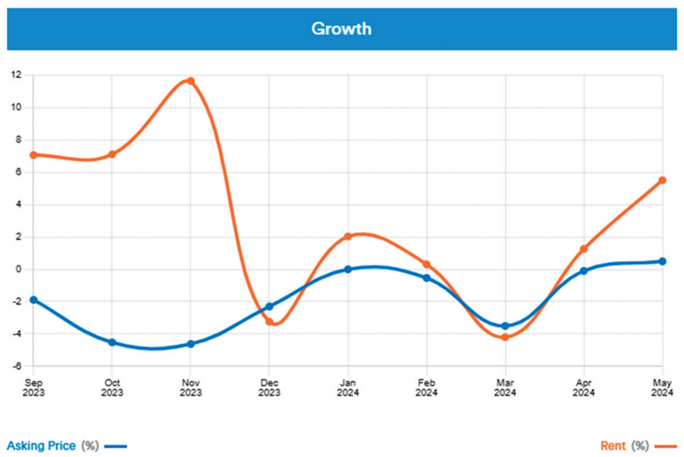
The good news, for anyone who can relate to any of these habits, is that you can take small steps to reduce their impact and actually overcome these challenges.

The Four Good Habits You Should Implement

1. Use Data for Area Due Diligence

Five years ago, I created the first ever relationship data process, for tracking emerging demand and growth potential for areas. This data, while complex, is actually very easy to use and understand. Results for every postcode are updated every month and anyone can access it.





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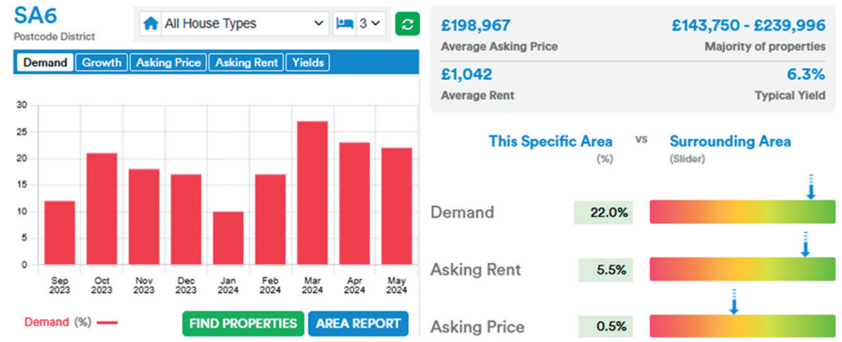
Results for every postcode are updated every month and anyone can access it

2. Use Modern AI (Artificial Intelligence) Software Solutions to Work on Finding Leads While You Do Other Things

Time is the most valuable asset for all individuals and any businesses. In the modern world of advanced data, your ability to process and interpret what's in that data has been transformed. Using AI and the correct data feeds, searching is now a background process and acting on a shortlist of opportunity is the key to success. A good data and AI platform is a must, to find all deals in 2024.



A good data and AI platform is a must, to find all deals in 2024

3. Consider Secondary Income and Wealth Streams

Once you have an investment that makes you money, your attention should turn to how much the cashflow and asset value can rise. We're familiar with the concept of adding value, through development, planning gain and change of use, but what about other value generation? One simple and easy way to drive up income, is to focus on the activity best suited to adding value. Data and research can tell you what to do (and what not to do) to drive up cashflow and asset values, led by what the market says it wants, not what you think the market wants.

4. Have A Business Plan That Forecasts and Uses Compound Inflation

Using tools like pipeline software and integrating a business planning tool such as OGSM (objective, goals, strategies and measures) can help us all to better understand the power of data, to see what is in demand today and worth more tomorrow. By reorientating to this form of constant development, you can harness the massive growth benefits of compounding. Many, including myself, have learnt to use new data and forecasts, to both leverage our investments and ensure we have demand driving up our income from investments, year after year.

If any of this sounds familiar and you want to act on it or get started on addressing what I've discussed in this article, get yourself access to the *Ultimate Property Dashboard* and start using the data and AI I mentioned. You'll be amazed by how easily you can harness these opportunities and eliminate the drain on your time and resources, plus, you can try it for free and make your own mind up.

Use the link to see it for yourself: search **upd.ai** or by scanning this QR code. The first 14 days are free!

ultimatepropertydashboard.com

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THE COMPLETE GUIDE TO FLIPPING

HOW I WENT FROM £20,000 TO MULTIPLE SIX FIGURES IN JUST THREE YEARS

Buying a run-down property, adding significant value and then selling it for a profit (also known as flipping) is a process that I love. There is something about seeing a property in ruin and then bringing it back to life, which gives me a sense of fulfilment I never found in my 9–5 job!

I've been flipping properties since 2018, starting with a family home that my dad inherited in South Shields and now working on much larger, multiple six-figure deals. For example, a project that I'm currently buying, is a street which contains two semi-detached properties and one detached home.

Most importantly, flipping has allowed me to build a substantial cash pot, taking me from £20,000 in savings, from my full-time job, to being full-time in property, with a few hundred thousand pounds that I can use to start building my portfolio.

This is my complete guide to flipping properties. A guide that has developed over the course of the 11 projects I have completed since I started my journey in 2018.

An Inherited Passion for Property

In the cold December of 2018, my family got the news that my grandmother had sadly passed away. Her house in South Shields, which I lived in at the time, was inherited by my dad, who wasn't sure what he wanted to do with it.

Although it was a lovely house, it needed a lot of work and we didn't want to sell it, because we both had an emotional attachment to the place.

However, I wanted to learn something new. I always had an inkling that I'd like to get into property one day, maybe in my 40s when I was semi-retired. So, since I had nothing else to do outside of my full-time job, I decided this was the opportunity to get stuck in and learn something new.

I did most of the work myself, removing tiles, painting and managing the trades. I was constantly asking them questions and getting involved in what they did. I wanted to know everything.

It wasn't a huge job and by the time we'd finished, we'd added over £30,000 in equity. But what meant more to me, was the knowledge I'd gained.

Project Gawber – The One That Started it All

I moved back to Barnsley, one year later, in December 2019. Using my savings, I bought my first home, which was a three-bed semi, 'doer-upper'. It was the definition of a flip project, with those awful maroon carpets that were popular in the early 19th century, an electric fireplace and a kitchen that was as old as me.

Using the skills I'd learnt just a year earlier, I refurbished the property after work and on the weekends. In less than 12 months, it was transformed into a beautiful home that looked like it had been built that same year. It had new carpets, a new kitchen and bathroom, gas radiators and was freshly painted throughout.

This transformation, and the fact that I'd made more than my annual salary when I sold the property, is what gave me the fire to go into property full-time and resulted in me falling in love with flipping houses.

Project Gawber:

Purchase price:	£96,000
Legal fees:	£2,000
Estate agent fees:	£2,000
Stamp duty:	(Zero, as I was a first-time buyer).
Refurbishment:	£10,000
Profit:	£36,000

I did most of the work myself, removing tiles, painting and managing the trades

Bought, renovated and sold within nine months.

Project Inn: Showing Me There's More Than One Way to Increase Value on a Home

After my second project, I used the profits to buy another, more profitable one and continued to repeat this process with each finished deal. As they say, 'the rest is history'. On project four, I started working with the private investors to scale up business operations. But project six, also known as Project Inn, was where I 'levelled up' and rather than just refurbishing the property (which was a two-bed bungalow) we changed the floorplan to add more rooms by creating a wrap-around extension, adding 55sqm on to the footprint of the property.

The finished product was a newly refurbished, four-bedroom bungalow with three bathrooms (two more than it had when we bought it) and a healthy profit that was double the money I'd made on any project before!

Project Inn:

Purchase price:	£264.500 (on the market for £280,000).
Stamp duty:	£11,000
Legal fees:	£3,000
Renovation:	£120,000
Investor interest:	£25,000
Gross profit:	£93,000
Net profit:	£66,000

Bought, renovated and sold in 51 weeks.

How do You Find and Negotiate Flip Opportunities?

Now that you know my story and you've seen what kind of cash pot you can build by flipping houses, here's my advice on how to find good deals:

Surprisingly, my best deals haven't come through relationships with estate agents (though they are a useful source of opportunities). Most of my deals have come through *Rightmove*.

The way I offer is slightly different to many other investors. I'm not afraid to offer the asking price, providing it will still be a viable deal and sometimes, if it's a really good opportunity, I'll offer slightly over the asking price.

Why? Because my policy is to make one offer and one offer only. I put my best foot forward the first time around and I have a reputation for doing this. Now, estate agents and vendors know that I'm making my best offer 'off the bat', and I'm not negotiating.

I believe in being fair with your offers and because I've always been fair and backed up every offer I have ever made with evidence, like builders' quotes and local sales comparables, I get good opportunities at a decent price. It's earned me a good reputation with agents too!

Your buying power when it comes to flips is the ability to move fast. This means you're at a huge advantage if you're buying with cash, whether that's your own money or money raised from investors.

Typically, flip projects need a lot of work (it's why we buy them) so they're often un-mortgageable, or at the very least, the deal does not stack, if you're buying it with a mortgage.

My advice is to let the agent know that you plan to move quickly and if they accept your offer, it's a done deal that you will complete on. A fast-moving sale comes as a huge relief to them, especially when you account for mortgage surveys and all the other things that slow a sales process down.

What Makes a Good Opportunity for a Flip?

Location is key. You can change almost everything else on a property, but you can't change the reputation of the street or area it resides in. Street reputation is a more important consideration than the state of the property itself, providing it is structurally sound and has the potential to have value added.

Also, analyse the demographic of people who are buying in that area. If you're buying a two-bed terraced house, then it's likely going to be first-time buyers or couples, who are your 'customers'. Look for local schools (ideally well-rated by *Ofsted*) big businesses, transport links, hospitals and anything else that will give you an indicator of who will be buying your newly refurbished house, when you put it back on the market.

When you know who's buying your property and you know the area, this will give you an idea of how high a spec you need to go with on your refurb. For example, I'm now looking at properties worth upwards of £600,000 in prestigious areas, so my refurbishments need to be a much higher spec. But if you're buying a £120,000 terrace house, in a standard area, for first-time buyers, you don't need to aim for luxury (unless you really want to).

Other things I look for are:

- Can you change the floor plan to add space or additional rooms?
- Can you add an extension to the property?
- How long will you be tied into the deal? You want to be in and out of the project as soon as possible.
- Where can you add value? Is it through refurbishment, by installing a new kitchen or bathroom, or is it by adding space?

One 'green flag' for me, is if there is a kitchen and dining room separated by a wall. I have found that by knocking this wall down, you can create an open-plan dining area, which is more appealing to families. Couples and parents don't want to be disconnected, with one of them being stuck in the kitchen, whilst the rest of the family is in a separate room.

It also looks gorgeous if you can add an island or breakfast bar where this wall was.

But if I had to sum up a good deal in a sentence, I'd say, "How can you turn the worst house on the street into the best?"

How to Calculate Costs

You should always conduct the first viewing on your own. Attend either a little earlier than your appointment or stay behind a little later. Spend this extra time talking to neighbours and learning everything you can about the history of the house.

If you can, then book a second viewing and bring a trusted builder with you to calculate costs. If this isn't possible, then take lots of pictures and send them to your builder or organise a coffee with your builder to chat about the project. Make sure you bring a damp meter on your viewing and check around the windows and roof.

Look at floorplans too and make sure the layout works for your target buyer. Families will want more space, so make sure that the property either has this built-in or has the potential for it to be added by knocking down walls or adding an extension.

Emma Fielding

Treat houses on the market in your area like they're your competition. What have they got that you don't? Can you take inspiration from their layout or design to add additional value to your project?

My Final Advice – Don't Forget the Little Things

When the valuer visits your freshly refurbed house, they're going to want to see the right certificates and proper sign-offs. This includes things like your damp proofing certificate, proof of proper insulation and building control certificates etc.

Make sure your tradespeople and the council give these to you. If you don't have them when the valuer comes, it can negatively affect the figure they give you.

Get educated before you jump into a house and start tearing it apart. You need to know what you're doing, or at least have the right people around you, so you don't do more harm than good.

If you want to learn, then get your hands dirty. Get involved in the refurbishment and ask your tradespeople questions about what they're doing, how they do it and why. Don't be afraid to push boundaries and ask challenging questions.

Finally, you need to have a clear direction right to where you want to be heading. Manage your vision, keep a constant eye on your cash flow and have a strong pipeline of opportunities. Treat flipping houses like it's a business and remember that looking after your business is just as important as looking after an individual refurbishment.

To see my past, current or upcoming projects, connect with me on my socials and don't be scared to say hello! I hope you enjoyed this article and I wish you luck in your own property journey.

emmapropertydevelopments
in emma-fielding

The finished product was a newly refurbished, four-bedroom bungalow with three bathrooms

DE-LEVERAGE YOUR WAY TO WEALTH

HOW TO INVEST IN PROPERTY THE ROCKSTAR WAY

The 8th April 2024, marked the 14th anniversary of buying my first investment property at the age of twenty-two. Since then, I have made it my mission to improve the tenant experience, across a portfolio of residential assets, in the home counties surrounding London.

I never wanted to be known as a property investor. I wanted to create a culture that tenants and staff alike could buy into. A place where everyone is treated like a *Rockstar*.

I am always fascinated to understand why people get started in property investment, as well as what keeps investors hungry for more, year after year. Some invest in property because they believe that these assets will gift them freedom and time, which it can, if structured correctly. However, if you have set up your business in a way that contradicts that very freedom you have set out to achieve, you will no doubt find it difficult to feel consistently content.

I'm fortunate to say I have a specialist team of people who assist me in the growth and management of the *Rockstar Property* organisation. The team and I have built a lifetime GDV (gross development value) of over £30m, across 75 projects. However, it wasn't always like this. Allow me to take you back to where it all began.

Life Before *Rockstar*

From the age of eleven, I was a professional drummer. I gigged my way around the circuit and at the age of twenty-two, I went on tour and travelled around Europe, South America and most of the UK. But despite my love for music, I couldn't shake off the feeling that I wanted to understand the profit and loss account for the tour. I began to take more of an interest in business, finance and financial calculations, which was rather surprising, seeing as I had only achieved a grade 'D' in maths in the GCSE exam!

That financial inclination grew stronger as the tour went on, to the point where I decided to purchase my first investment property, using my life savings of £9,000. The property was a two-up-two-down house that I tried to refurbish myself, using the very modest money I had left in the bank. This property resulted in a 13.5% gross yield, which I was very happy with at the time.

However, it was my second property that changed the direction of my life entirely. One that showed me a great upside, just by making a few minor adjustments.

One Conversation That Sparked a Love for HMO (Houses in Multiple Occupation)

I purchased a second, end-terrace house for £190,000 in Farnham, near Guildford. I invited a local agent to look at the property before the refurbishment began, just to give me an idea of the current market value. The agent strolled around upstairs and asked me, "is this house a two bed?" "Yes," I replied. He then went on, "I have been selling houses on this estate for fifteen years and I've never seen a two bed, the rest of them are three beds."

The team and I have built a lifetime GDV (gross development value) of over £30m, across 75 projects

He suggested that by placing a partition wall in one of the upstairs rooms and installing a window in the smallest room, then a third bedroom could be created. Furthermore, I could do the same downstairs between the kitchen and dining room, to create a fourth bedroom! "In fact, you could rent each room out to students for £550 each. There's a university called the UCA in the town, they're always needing more rooms," he said. To my surprise, he was absolutely right. By making those changes the investment started to look really promising. I did exactly what the agent told me to do. I had the work arranged, made the property HMO-compliant and rented the rooms to four students, for a total of £2,200 per month. Not bad, considering the other buy-to-lets on the estate were being rented for £800 per month!

After ten months, I sold this property for a profit of £80,000. I couldn't believe it. Not only had I run into an accidental HMO, but I also sold the asset for above the original value too. It went so well that I bought the house next door and did exactly the same. I continued this successful strategy and by the time I was thirty-one, I had bought thirty of these properties. However, it wasn't easy. My idea was to buy and sell in my twenties so I could buy and hold in my thirties, which is exactly what happened.

One day, I should find that agent's details and thank him for that conversation!

'Buy-to-Forget'

When I realised the difference in tax bills when refinancing versus selling, I soon started to implement the BRRR model (buy, refurbish, refinance, rent). So, nowadays, you won't often see me selling our units. Instead, I adopt what I call, 'buy-to-forget'. Let me explain.

Each of our properties has a clear direction it is heading in and my overall purpose is to see the portfolio become unencumbered as soon as possible. We therefore rent each property to corporate tenants (not renting by room) for the longest period possible (usually to align with the fixed-rate mortgage term). Once the tenant is in, it's now filled and I psychologically 'forget' the investment exists. Now, I certainly don't forget the property, but I do put it to the back of my mind. The key is to ensure you've started the investment off in the right way, that complements your end goal. For example, I want the mortgage paid off as soon as possible, so I put a capital repayment mortgage in place and even make overpayments where necessary.

Even though our properties need to be HMO-compliant, we really don't view them as HMOs. Our primary corporate tenant houses their employees and with tenants like this, technically you're only managing the one person from the company who organises it, making the day-to-day management of the asset easier. Rarely do our staff speak to the individual tenants who live in our properties.

Kane Andrews

Giving Back to the NHS

A number of our properties are rented to the *NHS Trust* for their employees. There are housing departments within the *Trust* that you can contact when you have a property that will soon be launched on the lettings market. Providing the *Trust* have a need for property in your area, they may rent the property from you directly. It's incredibly straight forward to start a tenancy with the *NHS* and thankfully, they're a rather well-funded tenant!

Many hospitals are desperate for accommodation for their nurses, so may be thankful to receive your call. A quick phone call could be worth its weight in gold.

Even if the *NHS Trust* can't take on more properties, they may instead pass on our details to nurses searching for rooms – this has worked incredibly well for us too.

Either way, working with the *NHS* has proven to be a wonderful way to give back, while seeing consistent results from our rental properties.

Happy Tenants, Happy Cashflow – The 24/7 Helpline

Another reason corporate clients enjoy working with us, is for the 24/7 tenant helpline we provide. Our out of hours helpline, assists tenants with any issues they have when our office is closed – even on Christmas Day! Issues with properties don't just happen during office hours. So, I engaged a third party to provide a wrap-around care service for our valuable tenants. The helpline has been authorised to deal with everything on our behalf, from handling minor repairs (up to £150) to dealing with real emergencies, like an out of hours gas leak. Tenant safety is paramount to us.

Seeing firsthand how useful this service has been for our tenants, makes it all worth it for our in-house team.

Over Leveraging and Paying Down Debt

Some investors continually release as much equity as possible, through refinancing. However, I've adopted a different approach. Making overpayments on your mortgage isn't something you see being pushed in front of you on *Instagram*, is it? After all, a bright green *Lamborghini* is far more impressive, right? Well maybe for some, but not for me. It's only when you do the sums, that you realise the extraordinary savings that come with paying off debt quicker, through overpayments – not to mention the significant decrease in risk, in times when the market drops.

I challenge you to plug in some numbers, into a free overpayment calculator you can find on *Google*, just to see how much interest you can save when making a small overpayment of say, £200 per month. It's shocking to see how the figures unravel themselves when you drive the borrowing costs down, especially when you own a significant portfolio that generates a bottom line of five or even six figures every year.

My Final Piece of Advice

Whether you're new to property investment or experienced, my advice remains the same: find someone that has twenty or more years' experience, who has achieved what you want to achieve and learn directly from them; let them help you to fill the gaps in your knowledge, helping you to progress to the next level.

I don't mean buying training courses or learning from paid mentors either. My best advisors were people like my accountant, rather than those who marketed themselves to me.

I like to learn from those that have not only seen success, but they have the battle scars too. It's equally important to learn what **not** to do, as much as what **to** do, to become successful in property investment and life in general.

I hope that you have learnt something from this article, or it has provoked some thought into how you can view property from a different angle. And remember, never lose sight of your end goal – you may just get there sooner than you think.

Feel free to follow me on the social channels below and get in touch if you have any questions.

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PROPERTY DEAL COMPLETION

A REALISTIC LOOK AT TIMELINES AND STAGES

In my last article, I introduced the way to approach pitching your property deal to lenders. So, in this issue, we'll look at how long a typical property deal should take, from inception to completion. Obviously, this will vary greatly, but hopefully this will give you some food for thought.

1. How Long Should a Deal Take to Complete?

The entire process from inception to completion, can typically take 6–12 weeks, for a standard property deal. However, various factors can significantly impact the actual timeframe. For instance, the complexity of the project, such as a large-scale development or extensive renovations, may prolong certain stages and extend the overall timeline. Additionally, unforeseen issues like delays in obtaining the necessary approvals, unexpected findings during the valuation process or complications during the legal stage, can further extend the timeline.

2. What to Prepare in Order to Speed up the Process

Preparation is crucial in the pre-approval stage, as gathering and submitting comprehensive information (financial documents, property details, plans, costings, etc.,) can expedite the pre-approval process, which may take 1–5 business days. Conversely, incomplete or inaccurate information can lead to delays and a longer pre-approval stage.

3. What to Expect from a Decision in Principle

The decision in principle stage, where the lender provides preliminary approval subject to further checks, usually takes 1–2 business days. During this stage, the lender reviews the information provided in the pre-approval stage and makes an initial assessment of your eligibility for the loan amount requested. This preliminary approval is subject to additional verification and checks, but it provides an indication of the lender's willingness to proceed with the loan process.

4. Property Valuations: What Are You Marked On?

The property valuation, conducted by the lender's chosen valuer, is a critical step

Nigel Bowers

that can take 2–3 weeks. The scope of the valuation depends on the nature of the project, such as a refurbishment, new development or investment property. The valuer will assess various factors, including the property's location, market conditions, potential income (if applicable) and the overall viability of the project. The valuation report is crucial for the lender to determine the property value and the associated risks, which will inform their final lending decision.

5. Loan Processing: Almost At the Final Hurdle

Loan processing, which involves reviewing and verifying the valuation report, requesting any other required reports, such as structural surveys or environmental assessments, depending on the findings or the complexity of the project and can take up to a week or longer. This process ensures that the lender has a comprehensive understanding of the property and any potential risks, before proceeding with the loan approval.

6. Underwriting: The Final Stage Before You Receive Your Offer

The underwriting stage, where the formal loan offer is issued after a thorough review, typically takes 1–3 days. At this point, an underwriter within the lender's organisation conducts a final, in-depth review of the entire loan application, including all supporting documentation, valuation reports and any additional assessments. If the underwriter is satisfied that all criteria are met, they will issue a formal loan offer, outlining the terms and conditions of the proposed financing.

7. How Having the Right Team Can Speed Up the Process

The legal process, involving both parties engaging legal representatives, to review and facilitate the transfer of ownership, mortgages and other legal documentation, is a crucial but time-consuming stage. Selecting a solicitor with experience in the relevant property type (e.g., commercial, residential or development projects) can ensure a smoother and more efficient legal process, minimising potential delays or complications. This stage can reasonably take around four weeks.

8. Final Approval and Closing

After the legal process is finalised and all necessary documentation is signed, the lender will conduct a final review and issue their final approval. Once approved, the lender will release the funds, allowing the property transaction to be completed and ownership to be transferred. This should only take 1–2 days.

Of key importance is engaging a knowledgeable and proactive broker early in the process. They can be invaluable in pushing for completion as quickly as possible, by coordinating the various stages, ensuring timely submission of documents and addressing any issues that may arise, especially in urgent situations like auction purchases, ultimately helping to streamline the overall process and meet critical deadlines.

Ask *Oxygen*

If you need a hand with any current or upcoming property deal, or you just want more information on how lenders and finance work, then get in touch using the details below. I'm always happy to grab a coffee with any reader of *Blue Bricks Magazine* to offer any help and support I can.

THE ENTIRE PROCESS FROM INCEPTION TO COMPLETION, CAN TYPICALLY TAKE 6– 12 WEEKS

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ADVICE FROM AN ANGEL INVESTOR

HOW TO AVOID SHARKS, FIND GOOD PEOPLE AND MAKE YOURSELF 'INVESTIBLE'

Coming from a background in investment banking, the idea of raising money and investing in assets wasn't a foreign concept to me. If anything, it gave me an advantage when I entered the property industry. One that has allowed me to invest in others and make a profit from deals, without having hands-on involvement in them. Because, I'll be honest, despite being involved in more than 40 deals, I'm under no illusion that I'd be terrible at running my own projects.

My experience of investing in others and my content around creating risk frameworks, landed me a position as the first female angel on *Sky TV's Property Elevator* show and secured me a spot on the popular investment show *Venture Visionaries*. Now, I'm involved in a range of big projects across Europe.

But, despite my years of experience in the industry and an extensive background in investment, I'm still shocked by the flippancy in which people treat borrowing money, or, if you want to use a term I REALLY hate, OPM (using 'other people's money').

I've lost money by investing in others and I've seen countless others fall victim themselves. While seeing hundreds of thousands of pounds lost, I have also witnessed something far more devastating: The loss of faith in humanity when someone is swindled or let down by a charlatan, or by someone who was overconfident in their abilities.

In this article, I want to show you how to avoid sharks, what you should look for before investing in, or joint venturing with someone and share some tips on what angels look for in people and projects, that will help you become more investable when you come to raise finance yourself.

It's Not a Fiver You Found on The Floor

I was an investment banker before the financial crash in 2008. It was a gruelling job, where 15-hour workdays were the standard and I had to literally run to and from the loo, to minimise time away from my desk!

Investment banking is a high-pressure job where you're dealing with money. Lots of money. It can involve mergers and acquisitions, cross-border trade and the raising of capital. It's high-pressured, so high pressure that it led me to develop severe burnout and eventually leave the sector altogether.

Why is it like this? Because you're dealing with other people's money and that's serious. So, you can imagine my shock when I entered the property industry (a side investment that ran alongside my career at first) and saw the way that other people's money was talked about.

I'm starting the article with this point because, if you have any hope of wanting to raise finance, then you need to treat other people's money like it's sacred. Not only is it best practice, but holding this mindset will make you far more attractive to angel investors!

On the other hand, if you're looking to invest in others, then this is one of the key indicators to look out for. Does borrowing money stress the other person? Because it should! It's wise to invest in people who respect your capital. That's one of the best pieces of advice I can give you.

'Other people's money' makes it sound like you've found a fiver on the floor. If you know anyone who speaks about it with such flippancy, then run a mile before investing in them. I would.

How to Find Out if Someone is Trustworthy

These days, I focus on short-term lending, like loans and bridging finance. As you can imagine, being known as an angel investor, I get inundated with people looking to borrow money. While it works with some people, I'm not the type to invest in a stranger, who's decided to rock up in my *LinkedIn* inbox and send me a message.

Realistically, I want to have a relationship with someone that spans a number of years before I invest in their projects. At a minimum, I want to have watched them and known them for at least a year before I do anything.

The problem is, we're in an industry where people have a penchant for overpromising and then massively underdelivering. Talk is one thing. Action is another and you can't always trust what people say.

The only way that you can assess if someone is trustworthy, is by seeing how they act and the longer the timeframe that you analyse that over, the more certain you can be about who they *really* are. Consistency reveals all and this, combined with talking to people they have worked with in the past, will give you an idea as to whether someone can be trusted,

I'm the antithesis of 'get rich quick'. I believe in getting rich safely and protecting your money in the meantime.

I also get people to do a wealth dynamics test before we work together. Then, I share my profile with them. This way, we both get an idea of how the other person works and we know what to (and what not to) expect from each other.

What I Look for When 'Watching' Someone

You see a lot of investors and marketers swearing that the way to raise finance is through social media. To a degree, I disagree.

If I see a 'too polished' social media presence, then it makes me wonder who's going to be running my projects. If it's a one-man band doing lives and reels every day, then I question how they have time to be on-site and do the important stuff.

Don't get me wrong, brand building is incredibly important. I only worry when it looks like an entire team or business is focused on this over delivering results.

I believe that running a business and running a project are two totally different things and as a property professional, you need to be good at both.

For example, I knew someone who was brilliant at finding deals, but they were terrible at managing cash flow. You can't be good at everything and if cash flow isn't your strength, I'd recommend hiring a chief financial officer (CFO).

I encouraged this person to get a CFO on board, but they were having none of it. Everything came to a head towards Christmas, when they asked me for money to pay their staff. I might be a hard-nosed investor, but even I couldn't sleep at night knowing their staff wouldn't be paid.

I transferred the money on the understanding that it be repaid in two weeks. Due to a stroke of luck, the payment was frozen by the bank, because they had given me their spouse's personal account details! I've never been more thankful for a frozen bank account in my life!

Naturally, I hit the roof when I discovered they asked me to transfer the money to a personal account and I refused to send it again. Within just one month, this business went under. Had luck not sided with me that day, my money would have sunk with it, as it did with a lot of other not-so-fortunate investors.

I wish situations like this were uncommon, but they're not and I've seen it happen to me and countless others. It does not just rob you of your capital. It takes your faith in humanity.

It's a huge leap of faith to invest in someone and I always say you should treat borrowed money like you owe it to the mafia! I want to see people who view it this way. I want to see people who have a track record of working with others and delivering on promises.

What Do I Look for Before Investing in Someone's Deal?

Contingency is the most important thing in the world to me. I can't say it enough. Contingency, contingency, contingency!

You need to have a percentage added to your costs for unexpected issues or delays, or things just costing more than you anticipated.

If I'm being generous, I'd say you need to have at least a 10% contingency on top of your predicted costs. I've seen people go »

with 5%, which is laughable. It's rare for a project to stay on budget, I can only think of one that I've personally been involved in.

This can be different if you have a 'cookie cutter' approach to your projects, where you have consistently delivered the same thing over and over again. But still, it's a risk.

Pre-covid you could maybe get away with a lower contingency, but the pandemic showed us all that freak events can soon wipe out even the best laid of plans.

Freak events seem to be happening more and more lately. Are these really freak things that we shouldn't account for in our costs?

New build developments are the riskiest of all because you don't know what you'll find underground. If you find something unexpected and your whole site is on hold for a year while *English Heritage* and everyone else looks at it, imagine what a year's worth of finance, on an inactive site, costs? Ouch!

You can't exactly predict everything that will happen, but a healthy contingency will protect you from the unexpected.

Putting Some Skin in the Game

For me, sticking money into a deal while someone else invests their time does not work. If people have nothing to lose, they can just walk away when things get sticky. I've helped so many victims go after people who have taken this approach, walking away when a project got tough, without losing a single penny of their own money. It's heartbreaking.

How much skin you should put in the game varies from person to person. To one person, £1,000 is an awful lot of money, and to another, it's only the prospect of losing £10,000, or even £100,000, when they feel uncomfortable.

I don't want someone to invest their life savings with me. But what I do want is for them to put enough money into a deal that it will hurt them if they lose it. This way, if the going gets tough, they're incentivised to work with me to get things back on track and not just run for the hills!

My Thoughts on Personal Guarantees

I used to say personal guarantees (PGs) weren't worth the paper they were written on. That's because there is no definitive register of them. You don't know how many PGs someone has outstanding. They could have twenty PGs, to twenty different people, all on the same asset and you could be one of them. If this happens, good luck. I'm all about asset-backed investments. At least that way I have a better chance at recouping my money if a deal goes wrong.

I've also seen incidents where the asset is in the spouse's name, or they file for divorce, so all assets are frozen. At this point, there is no liquid asset you can pursue.

Helen Chorley

These days, I'm more open to them, but that's only because I've been stung too many times.

When investors come to me for advice on asking for a PG from someone, I also ask them If they'd be prepared to make that person homeless, especially if they have a family and children. That's the cold reality of pursuing a PG and not everyone has it in them. Likewise, if you agree to one, then know that this is potentially what you're signing up for and not everyone has as much empathy as me in these matters.

Do You Need Experience to Be Investible?

I don't have time for many property trainers. The ones I really don't have time for are the ones who tell you to stand up and look around the room because your next joint venture partner might be in there with you.

No, no, no! Would you marry anyone in that room after you've only just met them? Probably not!

It's much wiser to get to know people over a decent period of time before you jump into business with them. With time, it becomes more obvious who they really are. Hopefully, they are who they say they are. But again, consistency will be the secret that reveals all.

Before investing in someone, I look at the team around them. And it's true, having a strong team does make you more investible. However, I don't think this can be a complete replacement for personal experience (something I'll touch on shortly).

Look at it from an angel investor's perspective. Let's say I have a choice of four people with whom I can invest: Person A has been developing property for 30 years. Person B I've known for three years and person C is well-known and has won numerous awards.

Then there is someone (person D) with no money, credibility or experience. They might have used their credit card to pay for a weekend training course. In my shoes, who do you invest in? Because let's face it, the last one is unlikely.

Don't get me wrong, I have invested in someone who was at the very start of their journey, but so was I. I knew their mentor though and he was someone I respected too. I knew that with him onboard, we had someone to help us. It would be expensive and it would be messy, but at least we would learn together.

What Do You Do If You Don't Have Credibility (Yet)?

I don't want you to think that if you don't have experience, it's game over. Everyone starts somewhere.

So, what can you do if you're new, or newish to property investment and you want to raise some angel investment for your deals? My advice is to borrow credibility from other areas of your life.

We all have a track record somewhere, particularly in our careers or established relationships.

Here are a few things I look for in someone's track record, if they don't have as much experience in the world of property:

- Previous experience running or growing a profitable business.
- Long-term harmonious relationships in other areas of your life.
- Existing relationships with other credible people, who can personally vouch for you.
- A strong professional history.
- Working with others in a professional manner.

Learn More About All Things Property, Business and Investing

Outside of being an angel investor, I'm also a judge for some pretty cool industry awards, including the *Blue Bricks Property Awards*, in June this year and the *Women in Construction Awards*, a visionary initiative, spearheaded by none other than Michaela Wain, of *The Apprentice* fame.

When I'm not travelling to and from my home in Malta, I co-host a popular podcast called *The She Word*. We have recently launched a spin-off podcast called, *The She Word, Women in Business*. Here, we have a forum to discuss those topics that women rarely do but really should, such as 'imposter syndrome', burnout and menopause. You can catch our podcast on all the major platforms. And if you're interested in learning a bit more about what makes me tick, feel free to check out my website using the link below.

helenchorley.co.uk
The She Word and The She Word, Women in Business
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THE GOLDEN SECRETS OF BEING A NEW-BUILD DEVELOPER

© Andy Hubbard

HOW TO BUILD THE LIFE OF YOUR DREAMS AND MAKE MORE PROFIT, REGARDLESS OF YOUR EXPERIENCE

Freedom. I'd say that's the reason that 90% of people start investing in property. We want more time with our loved ones. We want to provide for our families, or maybe, we just want the ability to travel the world.

But, if we're not careful, all we end up doing is creating a second job for ourselves. One where we work more hours than ever before and most of the time, pay ourselves less than we'd get if we were employed! Instead of a nine-to-five, we have a job managing tenants, repairing properties and going on countless viewings.

I've invested in property for many years and eventually fell into this trap myself. I was working one-hundred-hour weeks and then dealing with my property portfolio on top of that.

However, my life changed and freedom finally appeared when I started investing in new-build developments. Now, I make six-to-seven figure profits on a single deal, work the summers in England and spend my winters somewhere warm and sunny. I drive the car of my dreams and most importantly of all, my family are provided for, and my children are happy.

This is my advice on how you can use property development to live the life of your dreams and work fewer hours, including how to start in development with little experience, and a few 'golden secrets' that will help you to make your new-build projects far more profitable.

The Storm Before the Calm

Before investing in property, I was a busy builder, working 80–100-hour weeks on the tools. On top of that, I also decided it was a good idea to flip properties. My wife and I would move into a home and I'd do it up outside of work, before selling it for a profit. You learn as a builder that just because you can do something, it doesn't mean you should and I ended up adding huge extensions to the houses and doing real back-breaking work.

I invested in a few buy-to-lets on the side. It was easier pre-2008 when we had things like 100% mortgages. But the glory days came to a fiery close with the recession and creative strategies came to an end. As they did, I played it safe and stopped investing.

But still, I saw others getting educated, adapting and going on to buy countless more properties. All while I stood still, albeit continuing to work 100-hour weeks. The lesson here is to get educated and take action. As Warren Buffet says, "It's wise for investors to be fearful when others are greedy and to be greedy only when others are fearful."

But eventually I got to the point where I realised that I was trading my time for money. I didn't know what I wanted, but I knew I didn't want to be working all these hours and I knew I wanted to provide for my family.

So, after a lot of toiling, I went on a business retreat. This retreat was the first time I'd ever taken myself out of my own life, sat back, looked at what I was doing, and more importantly, what I wanted my future to look like.

On this retreat, it hit me. I wanted freedom. I wanted to travel and experience life. It wasn't about the money; it was about what money would allow me to do. I'd seen developers pulling up to sites in Range Rovers and telling me about their villas in Spain, while I was building their projects for them. I decided I wanted a piece of that life and this is what flung me into setting up my own development business.

Deciding What Kind of Developer You Want to Be

If you're interested in becoming a property developer, then I recommend taking a moment to think about what kind of developer you want to be. Below are some of the models you can employ.

Build-to-Rent: This is where you build new houses, refinance them, pay off the loan or investors and then add the buildings to your portfolio, renting them out and keeping the income.

Build-to-Sell: This is the model I use. Build-to-sell is where, instead of keeping your newly built houses, you sell them for a profit.

Commercial Conversions: The same principles outlined above apply here, where you can keep your finished property, or sell it for a profit. However, instead of building from the ground up, you're usually renovating an existing premises.

MY POINT IS, NO MATTER THE CARDS YOU HAVE BEEN DEALT, IF YOU STAY FOCUSED, WORK HARD, TAKE ACTION AND BELIEVE IN YOURSELF, ANYTHING IS POSSIBLE

The reason I choose new builds over conversions is that personally I find them easier. With land, providing you do the necessary due diligence, it's fairly straightforward once you're out of the ground. More on this later in the article.

But with commercial conversions (and almost all properties, for that matter) you never know what you'll find once you start stripping the walls. You might need a rewire. There might be structural issues you didn't notice.

The reason that I build to sell is twofold:

- Again, I want freedom. I don't want to be dealing with tenants or letting agents. I want an easy life where I can work from my phone and laptop anywhere in the world.
- Your money gets tied up quickly when you refinance properties and add them to your portfolio. With build-to-sell, you get a chunk of money that you can either use to fund another, larger deal, or you can live on, for a long time.

Choosing what type of developer you want to be, depends entirely on the life you want to live and your long-term goals. There is no right or wrong answer. What works for me might not work for you, but it's better to invest in a strategy that takes you closer towards the life you want to live, rather than further away from it.

Now, I build 3–5 units, sell them, make my profit and I have enough cash to live a good lifestyle for a year and to fund my next project. I have personally found that with £200,000 or more a year, it becomes hard to spend all your money, even while living a luxury lifestyle. You can eat nice food, go on multiple holidays and drive almost any car you want, when you have £200,000 in your pocket. The amount you need to live your lifestyle might be more or less than this, depending on your goals.

Finding Your Direction in Life

As a quick side note to the above, maybe you're in a situation similar to me when I started, and you're unsure what you want from life.

If this is you, then I recommend taking a day or two to yourself. No phone, no work and no friends or family. Go to the beach, or wherever you feel you're most comfortable and bring nothing but a notepad and pen. Think about the future and how you want that to look. Don't give yourself any limitations. Imagine that nothing is impossible.

When you have this clear vision in your head, calculate how much it will cost. How much is the car you are driving? How much is the house you live in? If you're on six holidays a year, then how much are you spending? Once you've finished this exercise, you'll know where you want to be, and how much it'll cost to make your vision a reality.

How to Get Started in Property Development

Now you have your direction and you know what type of developer you want to be, it's time to get started.

Unsurprisingly, my first piece of advice is to get educated. Don't just go out there and try to buy a plot of land with no knowledge or experience! Read books and listen to podcasts at first. Take baby steps to ensure this is something you want. Then, when you are certain, invest in a mentor or training programme. Some of these can be expensive, which is why it's worth being 100% certain this is what you want before signing up. Because if you are serious, you follow the right people and you act, then you can get that money back (and much, much more).

Success leaves clues. You don't have to reinvent the wheel to become wealthy. Find someone who has done it and follow in their footsteps.

But, regardless of any level of education, what you'll need is a good, strong team around you. A team who are experienced in new-build development.

After you, I'd say the second most important member of the team is your solicitor. An experienced solicitor will carry out searches on potential development sites and they'll know what to look out for. If your solicitor isn't experienced, then they might miss things like utilities in the ground, covenants on the land, restrictions and if the land is even registered!

You also want to build good relationships with your local estate agents. They'll be your main source of development opportunities and your relationship with them will be the difference between whether they help you in a negotiation, or side 100% with the vendor.

A good construction company is vital. Again, you need someone with experience. However, you also need a reliable company that isn't going to go bust midway through your project.

How to Find Sites

If you're looking for a plot of land to develop, then I'd recommend finding sites that are no further than one hour from where you live. In the early days especially, you will be spending a good amount »

I prefer small sites where I can build 1–5 properties of time on site checking the progress of the project. You don't want to be spending two hours plus each way in your car.

I buy plots of land in what I call 'satellite villages'. These are villages that are around 10–20 minutes from the town centre. They're close to the necessities, like shops and transport, but not directly in the centre where planning is harder and there's no scenery and or parking.

These satellite villages allow you to build properties with nicer views, bigger gardens, and better parking and are typically favoured by the local council.

I prefer small sites where I can build 1–5 properties. The real sweet spot is 3–5. You can make £100,000 per property and you're in and out within a year. When you go for sites of 30+ houses, you put everything on the line, they take longer and there's more to consider, like the community infrastructure levy (CIL) payments and affordable housing.

If you want to move onto larger projects like this, then fine, but start small and build up.

Mitigating Risk

The key to new builds is to mitigate risk before the project starts. Once you get out of the ground, in theory, things should be relatively straightforward. So, what you need to do before this point, is check that your site is a suitable place to build. Have all the relevant surveys. Have a building control surveyor look at the site before you purchase it.

Always make offers subject to planning. This way, if the surveys say you can't build there, or your local authority refuses your application, you're not tied in.

When dealing with a construction company, get multiple quotes and get a fixed price. It's not like a renovation where you pay a contractor and then they hire lots of different 'subbies', raising your prices. There should be a set price that you're given at the start and this shouldn't falter, because the construction company will have the relevant people in-house.

One hundred percent funding of your sites is possible with investor finance, joint ventures with landowners or creative strategies. Although this might seem tempting, using a bank or other lender for development finance, gives you some extra protection. Lenders stress test everything and check your planning application for you. They're experienced and if there is something you've missed, they'll typically find it before purchase.

The Value of Bungalows

Bungalows are in short supply these days. That's because developers tend to prefer building townhouses. After all, you can fit more of them on a plot of land and bungalows take up more space.

However, due to the short supply of bungalows, they're typically valued much higher. Especially since they are in high demand. We're growing older as a population and many elderly people want to live in a home where there are no stairs, easy access and a spacious garden.

Bungalows provide just this and best of all, elderly people are the perfect customers for homebuilders. Most of the time they are selling a house that they've owned for decades, in order to downsize, meaning they're buying with cash. They rarely haggle on price and above all else, it's a great feeling to watch someone who has never moved houses before, take such a big leap and buy a property that they absolutely love!

If you think of developments like running a business, then you have very little competition. Your average homebuilder is trying to squeeze as many houses onto a site as they can, with no parking, a postage stamp garden and a view of another house.

When we build bungalows, we include a nice garage, field views, and a spacious garden. They sell fast because our customers see they're getting more value for their money.

Andy Hubbard

You'll sometimes find it easier to get planning permission on bungalows, because you're not building up as high and blocking the natural light of neighbouring properties. Bungalows also have a higher value per sq. ft, sometimes being 20% more valuable than your standard newbuild townhouse!

Final Thoughts: Mindset

Four years ago, I lost everything. My business partners at the time, emptied the company bank account and left me with nothing.

But I didn't give in.

I jumped back on the tools seven days a week, sold my motorhome and a buy-to-let and saved up enough money to fund the purchase of the first site that I ever completed alone.

My point is, no matter the cards you have been dealt, if you stay focused, work hard, take action and believe in yourself, anything is possible.

I saw an experiment recently where someone pushed two bowling balls down a ramp to see which one would reach its destination quicker. Surprisingly, the bowling ball with a rollercoaster track, which had ups and downs, arrived quicker than the one on a straight path.

Life is a rollercoaster. There are ups and downs. But remember, those downtimes, this whole rollercoaster, is what will strengthen you and get you to your goals quicker. You just have to believe.

If you would like to learn more about me, or if you'd like to comment on this article, then get in touch using the details below.

developinghomes.co.uk/about-andy
andyhubb30
Andy Hubbard

FROM INVESTOR TO BUSINESS OWNER

HOW TO BUILD A SALEABLE, SCALABLE AND PROFITABLE PROPERTY BUSINESS

There is a disparity between investors within the property industry.

You have group A, who are happy treating property as a side investment and growing their wealth over the long term. They are likely planning to use their portfolio as a pension pot or to eventually pass it on to their family.

Then you have group B, who I refer to as 'property business owners'. They see property as a business, rather than just an investment strategy. They may try to 'scale' what they do, hiring staff, marketing themselves online and offering additional services to investors or clients, such as sourcing, management or consultancy. Even the way they grow and manage a portfolio is achieved using intelligent solutions, to systemise and optimise the process.

This article is aimed at aspiring or existing 'property business owners'. After reading this, I hope you will have a clear understanding of the difference between being a property investor versus being a property business owner; how you can transition your investments into a profitable business and in the process, create a cash-flowing asset that you can eventually sell.

Backbreaking Work

The strategies I'm about to outline are ones that I have used myself, to grow countless businesses related to the property industry, including an investment and management company, which I built to a seven-figure turnover and sold last year, a training ecosystem that includes *The HMO Roadmap*, which has just been finalised as 'Best Content Provider' at *The HMO Awards*, as well as a multi-million pound residential property portfolio.

But oddly, my background isn't in business or property. Originally, I studied to become a physiotherapist. It was a good career that paid well (once I moved into the private sector) but in my early 20s, I started to feel it wasn't what I wanted to do long term.

While studying, I lived in a house in multiple occupation (HMO) with other tenants and rarely saw my landlord, other than when he visited to read the meters. I calculated that he was making a good amount of money for very little work!

Meanwhile, my job was hard work.

But rather than grow jealous, I was inspired to buy my first property, which I turned into an HMO for students.

The Worst News Anyone Can Hope For

The next few years involved a lot of hard work. I stuck to being a physio while also buying more property and by the age of 26, I had three more HMOs.

LOOK AT THE RESOURCES YOU HAVE, LIKE TIME, EXPERIENCE, CAPITAL, CONTACTS

It was around this time that I became quite ill; I felt run down, had lost weight and I had an uncomfortable feeling around my neck. Neither the doctors nor I could figure out the cause of it.

Eventually, they suggested it was stress related, but I'll be honest, I wasn't stressed at all and otherwise felt quite happy. The only thing bothering me, was my job as a physio, which was no longer fulfilling for me. So, with enough rental income to cover me, I decided to take a break and travel to Canada for six months. I love the mountains and wilderness. I'd worked hard throughout my early 20s and this was my chance to reset, refresh and live my dream, before finally going into property full time.

So, I quit my job, bought the tickets to Canada and moved in with a friend, to see out my time before leaving. But just a few short weeks before I was due to fly, my symptoms hadn't improved, so my doctor agreed to do more tests. I remember going for the scan on my neck, optimistically expecting there would be nothing of any concern, but before I'd even received the results, I got a call from my GP, who said there might be an issue. I was told to cancel my plans as I was booked in for surgery and within a matter of days, my life was turned upside down – I was diagnosed with thyroid cancer.

© Andy Graham

A Change in Perspective

Thankfully, with surgery and treatment, my cancer disappeared and I'm now fully clear.

Although I'm cancer free, the change that the diagnosis had on my life perspective has stayed with me.

I saw that many of the things we worry about are entirely pointless and that tomorrow is not guaranteed. We spend time stressing about the things that might happen or go wrong. But what if they don't go wrong? What if we take the risk and succeed? We get one shot at this life and it's up to us to make the absolute most of it.

This is what inspired me to go into property full time. I created a business model, got funding and scaled a seven-figure investment and management company, while continuing to grow my portfolio of HMOs. I focused, I took greater risks and I embraced the uncertainty that building a business often demands. I diversified into larger developments – one of our projects has a GDV (gross development value) of £12m – and I built the most extensive ecosystem of HMO property training resources, all of which helped to generate greater cashflow and equity.

What Makes a Property Business a Business?

A business only becomes a true business if it is something that you can leave for three months or more, while trusting that not only will it survive without you, but it will thrive.

It's important to work towards this for two reasons:

1. Having a business that survives without you, is the only way that you will find someone to buy it!
2. The reason that you're doing what you do is to have more time. It's pointless making lots of money, if you can't get time off to spend it doing the things you want!

How Do You Build a Property Business that Runs Without You?

- Identify all the tasks that take up your time. E.g., instructing cleaners to visit your serviced accommodation units or collecting rent from tenants.
- Every time you complete a business-related task, write it down, no matter how trivial it feels. After about a month, you should have everything.
- Next, write clear instructions on how to complete each task (process). This way, you can delegate the tasks to a virtual assistant (VA) or employee and they can complete them without needing further instruction from you.

Follow the DSAD approach: Delete, Simplify, Automate and Delegate.

- If a task can be removed from your business, then delete it.
- If it can be simplified, or shortened, then simplify it.
- If it can be automated, especially with technology (e.g., following up on offers that were rejected several months ago) then automate it.
- And finally, if you can delegate a task to a VA, property manager or employee, do it!

Don't be a busy fool. Focus on income-generating activities if you want to scale your business. Would you rather pay 10% to a managing agent to get your time back, or keep that extra £200 and answer late-night phone calls on the weekend?

Scaling a Business: It's Just Like Sailing

Launching a business is like sailing a boat. You wouldn't just jump on a boat with no destination, map or a crew. Likewise, you shouldn't run a property portfolio or business without clear direction, prior planning or resources. You need to know where you're sailing to, so to speak.

Take time to think about where you want to be and the lifestyle you want to live. Do you need high cashflow, or is your priority building a debt-free asset base you can pass on to your children? Knowing the answer to this will dictate what types of properties and locations you should invest in.

Always start with the end in mind. I have seen people skip this step and move straight on to replacing their income or investing all their capital. It's only later they realise that they've created a portfolio which doesn't achieve what they want. E.g., if you want your time back, investing at the other end of the country and dealing with lots of difficult tenants, isn't the best strategy for achieving this!

I created a business model, got funding and scaled a seven-figure investment and management company, while continuing to grow my portfolio of HMOs

Andy Graham

Following your strategy might require you to invest in deals that don't look good on paper, but strategically, they get you closer to your goals; leaving more money in a deal to secure an asset closer to home, or one with a better yield.

Keep Critical and Stay Focused

Property is a tough game. It's slow, it's competitive and there are always unforeseen circumstances shaking things up, like the energy crisis or rising interest rates.

You need to critically analyse your plan and your position. Look at the resources you have, like time, experience, capital, contacts or credibility. Identify your weaknesses so you can develop and improve them and always play to your strengths.

Stay focused on one thing and master it before moving on. I was focused on HMOs for ten years before investing in any other strategy. If you are distracted by the shiny penny, it dilutes your focus and the value you can give to your business.

Finally, you can't manage what you don't measure. Have key performance indicators (KPIs). If you have a target of how many viewings you want to complete in a week, or how many investor discovery calls you want to be on every month, then you can measure your progress and analyse if you're falling short or hitting your targets. And depending on your results, you can adjust your actions.

Go and Build Your Business!

I hope that you have found this article insightful and that it gives you some pointers on growing your property business. For anything related to property, business, HMOs or personal development, contact me using the details below.

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Andy Graham

THE TOP TEN LEGAL ESSENTIALS THAT YOU NEED TO KNOW ABOUT AS A PROPERTY INVESTOR

Malkit Purewal and Sanjay Kumar are multi-award-winning developers from *Savoys Properties*, who have been in the property business for over twenty years and have specialised in commercial-to-residential and houses in multiple occupation (HMOs) for over ten years.

From their extensive experience in the property industry, the duo now shares their list of the top ten legal essentials for property investors in 2024.

1. The Legal Set Up

Before buying a property, it's crucial to determine how you'll legally own it and structure your property business. Currently, you have several options for purchasing property, including:

1. *Individual Name(s)*

This used to be the popular choice for landlords until July 2015, when the then Chancellor, George Osborne introduced Section 24 of the Finance (No.2) Act 2015). Basically, by April 2021, a landlords' ability to deduct most of their finance costs, including mortgage interest and arrangement fees, from their rental income before calculating their tax liability, was restricted. As a result, landlords now pay tax on the gross income they earn from rental properties. The act was phased in over a five-year period, between April 2017 and April 2020, meaning landlords paying the higher rate tax, would only be able to claim tax relief at the basic rate of 20%.

2. *Limited Company*

Limited companies have now come the preferred choice for many landlords, since July 2015. However, owning a property in a limited company brings associated legal requirements, including filing returns to both *Companies House* and *HMRC*.

Corporation tax is currently 19%, however, property owners should be careful when moving money, as dividends are taxed at personal, annual self-assessment level.

3. *Limited Liability Partnership (LLP)*

An LLP is designed to be a halfway point between a traditional partnership and a private limited company. For those who like the idea, it's an opportunity to have the benefits of a partnership, while also limiting your exposure. An LLP is likely to be a partnership between two individuals.

The income is still personal income and will be taxed as such. Tax can, therefore, be higher than you'd pay as a limited company and profits cannot be retained in the same way.

4. *Trust*

When a property is bought in a trust, a person or company holds the property in trust for the benefit of the beneficiaries. A 'trust deed' will be established, setting out the rules for the running of the trust. This might be used for a number of reasons; for example, a property might be held in trust for minors until they grow up. Alternatively, they might be used to mitigate inheritance tax liabilities.

The trust deed must make it clear that the trust has the power to borrow money. Securing finance for properties held in trusts can be extremely difficult, because lenders will look to see where the personal liability lies; a trust structure can mean this isn't clear.

We would highly recommend everyone gets advice from property specialist accountant before deciding how to structure your property business.

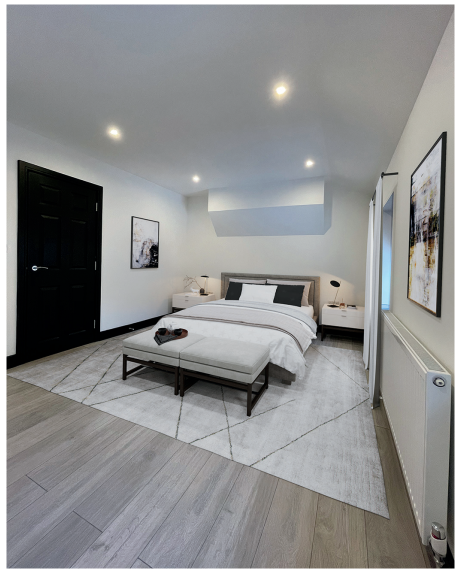
2. Conveyancing

We have found that our solicitors are key to growing our property business. You need solicitors that can complete deals under time pressure, find solutions to issues, ensure there are no restrictions for modifying the property and not impacted by *Article 4*, and there are no planning issues.

3. Minimum Room Sizes

If the property you are buying is an HMO or will be converted into an HMO, then there are guidelines to follow. Guidelines for minimum HMO room sizes were also introduced, which landlords legally need to adhere to and are listed below:

- Obligation to notify the local housing authority of any room in the HMO with a floor area of less than 4.64 square metres.
- Ensure that the floor area of any room in the HMO, used as sleeping accommodation, by one person aged over ten years, is not less than 6.51 square metres.
- Ensure that the floor area of any room in the HMO, used as sleeping accommodation, by two persons aged over ten years, is not less than 10.22 square metres.
- Ensure that the floor area of any room in the HMO, used as sleeping accommodation, by one person aged under ten years, is not less than 4.64 square metres.
- Ensure that any room in the HMO with a floor area of less than 4.64 square metres, is not used as sleeping accommodation.

An example of the living room area and bedroom in one of Savoys apartments

© Savoys Properties

Sanjay Kumar and Malkit Purewal

4. Licensing

From 1st October 2018, the government has made it mandatory for you to apply for a licence if all of the following apply:

- It is rented to five or more people, who form more than one household.
- Some or all tenants share toilet, bathroom or kitchen facilities.
- At least one tenant pays rent (or their employer pays it for them).

Furthermore, some councils have brought in additional licensing, where if you are renting a property, you will need a licence or potentially one licence per property, within the borough. Therefore, it is important to understand what licensing is required within the areas you are looking to invest.

5. Planning

Planning is complicated and can be frustrating at times, with the interpretation of the planning laws varying from council to council.

Currently you don't need planning permission to convert a property to an HMO. However, many councils across the UK have implemented an *Article 4 Direction*, which requires you to apply for planning permission. Locally, we have witnessed many landlords accidentally falling foul of the *Article 4 Direction.*

Article 4 Directions have not only been used for HMOs but also for household extensions and commercial conversions. Therefore, it is more important than ever to check planning restrictions, to ensure you are able to carry out your proposed works.

6. Building Regulations

When carrying out works to a property, it is important that you are aware of and compliant with building regulations before you start work. We would recommend that you speak to the council's building control team before you start work, to get their advice.

The council can make you apply for a regularisation certificate, which refers to the process of certifying building works that have been carried out without building regulations approval. The regularisation process enables people to submit a retrospective application relating to the previously unauthorised works. This can be an expensive process, therefore, it's essential to work with building control prior to starting work.

7. Certification

Legally you require the following valid certificates to let your property:

- Energy Performance Certificate.
- Gas Safe Annual Gas Safety Check (if you have any gas appliances).
- Electrical Installation Condition Report.
- Emergency Lights Certificate (for HMOs).
- Fire Alarm Certificate (for HMOs).
- Portable Appliance Test Certificate (if specified by your council).

8. Fire Risk Assessment

As a landlord, you have a legal duty for the health and safety of tenants in your property, by carrying out a fire risk assessment if you own multi-unit dwellings or an HMO. A fire risk assessor checks the property has the fire safety measures in place and meets the legal standard including:

- Property age and condition.
- Persons at risk.
- Potential fire safety hazards and risk.
- Potential ignition sources and combustible materials.
- Fire prevention and management.
- Fire safety signage.
- Fire safety equipment and maintenance.
- Fire safety training and drills.
- Means of escape in the event of fire.
- Deficiencies in existing fire safety and risk precautions.
- An evaluation of your existing emergency fire procedures, training and drills.

9. Tenant's Legal Agreement

When letting a property, you require a legal contract between you and your tenants, which is an Assured Shorthold Tenancy Agreement (AST).

A tenancy can be an AST if all of the following apply:

- You're a private landlord or housing association.
- The tenancy started on or after 15 January 1989.
- The property is your tenants' main accommodation.
- You do not live in the property.

A tenancy cannot be an AST if:

- It began or was agreed, before 15 January 1989.
- The rent is more than £100,000 a year.
- The rent is less than £250 a year (less than £1,000 in London).
- It's a business tenancy or a tenancy for a licensed premises.
- It's a holiday let.
- The landlord is a local council.

10. Tenancy Deposits

As a landlord, you are required to put your deposit in a government-backed tenancy deposit scheme (TDP) if you rent a property on an assured shorthold tenancy that started after 6th April 2007. In England and Wales, your deposit can be registered with:

- *Deposit Protection Service.*
- *MyDeposits.*
- *Tenancy Deposit Scheme.*

You can connect with the *Savoys Properties Team* on:

savoysproperties.co.uk
savoyseducation.co.uk
savoysproperties
savoys-properties
savoysproperties

BEFORE BUYING A PROPERTY, IT'S CRUCIAL TO DETERMINE HOW YOU'LL LEGALLY OWN IT AND STRUCTURE YOUR PROPERTY BUSINESS

WHY ASSET MANAGEMENT SOFTWARE IS CRITICAL TO AN EFFECTIVE RISK MANAGEMENT STRATEGY

If you have a property portfolio, technology is a powerful, though often, underestimated ally in avoiding fines, waste and lost opportunities. But how does one go about choosing a solution, when the scope of the problem can be opaque at best. Here's how property investors could be benefitting from using the right asset management software.

By Vann Vogstad, co-founder of COHO

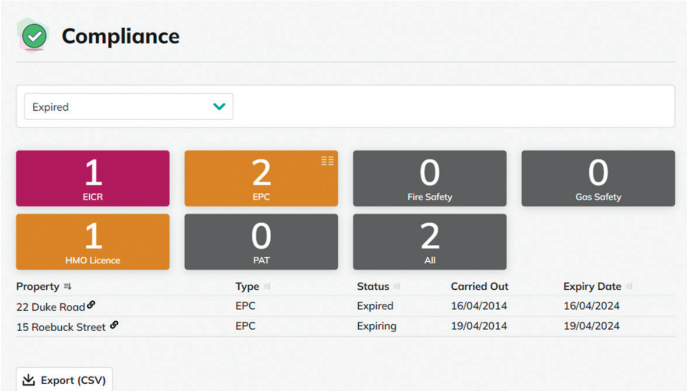
Van Vogstad

Investment in property continues to be an appealing avenue for many, with an estimated one in six UK households holding some form of property investment[1]. Research by *Paragon Bank* earlier this year, found that 37% of landlords are considering expanding their portfolios, due to long-term rental demand in the UK, which is currently a third higher than the preceding five-year average[2]. Their survey, polling landlords with four or more properties, also found that a fifth (21%) of property investors surveyed, would be looking to buy higher-yielding properties like houses in multiple occupation (HMOs). A further 20% said they would seek to buy a home that could be converted into an HMO.

However, as investment grows, risk expands. Which is why many investors are meticulously tracking the financial performance of their properties with spreadsheets and specialised accounting software. And yet there remains a critical gap in how they manage and organise essential non-financial data. Often, vital property documents, from compliance certificates to maintenance records, are buried in old emails or exclusively in possession of third parties such as agencies.

Unfortunately, there is a cost to not having full visibility of all the details of your investment – and it is often as hidden as it is significant. These costs could be direct financial losses, such as overpaying for services provided by your chosen agencies, being fined due to unmet compliance requirements, or overpaying on mortgage rates. They could also be indirect costs, for example, losing out on the opportunity to sell your property, due to lack of documentation or certification. Either way, these costs escalate exponentially, as the number of assets and length of time properties are owned, increase.

So, whether you own one or one hundred properties, exposure to losses becomes an unavoidable part of the investment game and therefore, so does the necessity for the right tools to mitigate that risk as much as possible. The following areas are particularly well served by technology, ensuring that everything from compliance to legacy planning is sorted.



Failing to maintain up-to-date compliance can be severe

Providing Comprehensive and Instant Access

Where property investors do not use purpose-built software to administer their portfolio, I usually see one of two scenarios play out: they either have most of the property documentation but not a system that allows easy extraction, or they have a system but not all the up-to-date documentation. To materially reduce the risk of loss, access to property information should tick two boxes: comprehensive and instant.

Instant Access

The typical approach of keeping property-related documents across various storage mediums – from email inboxes, to disorganised digital drives, with folders many layers deep – might tick the comprehensive box, but it's not instant. The challenge this presents is that the process of collating all the information at the point it is needed, can often take so long that an opportunity or a compliance deadline is missed.

Comprehensive Access

In this instance, investors have a system but not all the content. While some investors create their own systems using spreadsheets or basic cloud storage solutions, it won't come with the guiding structure or critical prompts that one would typically find in a property management solution. Which means the investor may be unaware of either the types of documentation required for each property, or of the renewal timelines associated with some of the documentation, or both.

In contrast, specialised property asset management software will allow for comprehensive and instant access, as these solutions are designed to handle every aspect of property asset management – from tracking rent, to storing all compliance documents in one accessible, secure location. The advantage of using such systems »

[1] According to Paresh Raja, CEO of MFS, www.mortgagesolutions.co.uk/specialist-lending/2024/02/29/property-investors-remain-confident-despite-market-challenges-mfs
[2] www.buyassociationgroup.com/en-gb/2024/02/09/uk-rental-demand-high

is the assurance that no critical piece of information is misplaced, forgotten or missed altogether. And because information is added on an ongoing basis, it reduces the overall administrative burden, freeing up more time for investors to focus on growth and investment strategies.

Ensuring Continuous Compliance

Relying purely on property agents to manage compliance can be a double-edged sword. While there are many competent and trustworthy agents in the industry, there are also those who consciously take shortcuts that can lead to serious financial repercussions for property owners. Or they may simply not be as organised as investors believe them to be.

Either way, the consequences of failing to maintain up-to-date compliance can be severe, because the law considers the property owner as the person ultimately responsible for compliance. Any compliance failings can therefore have immediate and costly legal implications for property investors.

Take the example of an investor who was in the process of selling a property, only to discover that the energy performance certificate (EPC) for the property was outdated by two years. This oversight nearly derailed the sale and could have prevented the investor from serving a Section 21 eviction notice, if any tenant issues had arisen.

Systems like *COHO* mitigate these risks by providing automated reminders and a centralised dashboard, where compliance statuses for all properties in the portfolio are clearly displayed and managed. This ensures that all necessary documents are renewed on time and are readily available for review or audit at any moment.

It also helps investors to effectively forecast and plan for upcoming expenses and verify that the actions taken by agents are both necessary and cost-effective. It's a proactive approach that not only saves money but also reinforces the investor's command over their portfolio, ensuring all compliance matters are handled accurately and on time.

Saving On Unnecessary or Hidden Fees

I often hear about instances where investors are overcharged by their property management agencies. But a recent conversation, once again, highlighted the risk of over reliance on an external vendor's processes and or integrity. This investor's properties were managed by an agency who also took care of all their compliance documentation, including the electrical installation condition reports (EICR). Unbeknown to him, the agent was scheduling — and charging for — these inspections annually, despite it only being necessary every five years.

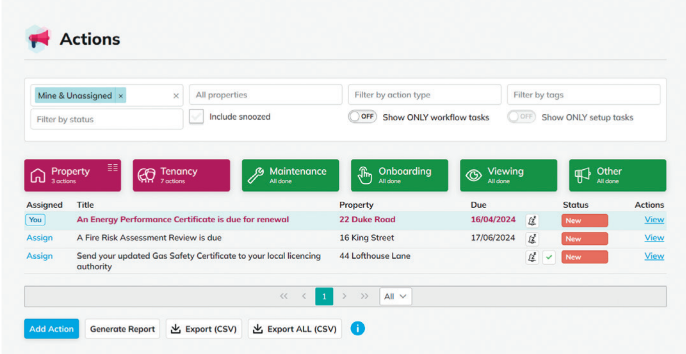
MODERN PROPERTY ASSET MANAGEMENT SYSTEMS CAN ACTIVELY HELP INVESTORS TO MAKE BETTER FINANCIAL DECISIONS

This excessive diligence cost the investor over £15,000 in additional fees over several years. An overspend that only came to light because he had begun the process of consolidating the paperwork for all their properties in *COHO's* asset management software.

Unlocking Remortgaging Opportunities

The ability to quickly access all property-related documents becomes especially critical during financial transactions like remortgaging or the selling of a property. Estate agents and brokers often face delays when property investors do not have the required documents at hand, which can extend to weeks if they have to request and wait for these documents from managing agents – all of which could put the opportunity at risk.

A centralised property management system ensures that every document, from lease agreements to compliance certificates, is just a few clicks away, significantly speeding up transaction times while reducing stress and frustration.



Compliance statuses for all properties in the portfolio are clearly displayed and managed

Beyond just storing information, modern property asset management systems can actively help investors to make better financial decisions.

By tracking mortgages and insurance within the same system, investors can receive alerts when better rates are available or when insurance policies need renewal. It's a proactive approach that helps investors to optimise their portfolio's profitability.

Supporting Legacy Planning

It's not uncommon for investors of larger portfolios to allocate portions of their portfolio to different agencies across the country. But without a centralised, visible hub, where all information about the properties is stored, including which agents are managing which assets, management continuity issues could arise in the future.

One investor noted that if something were to happen to them, their spouse – who was not involved in the day-to-day management of the properties – would be at a complete loss trying to locate all the necessary information. As a result, legacy planning was one of the primary reasons for the decision to use *COHO's* asset management software, allowing their family to easily oversee and manage the estate in their absence.

Timing Is Everything

The recently proposed *Renters Reform Bill* is a clear indicator that compliance regulations and political pressure will continue to escalate. As it does, the risks associated with disorganised management are no longer mild inconveniences but can lead to significant financial losses and operational constraints.

And while there is little that investors can do about these external pressures and the risk it brings, they can mitigate the impact, by adjusting their workflow for greater visibility of their liabilities and costs.

Which is where asset management software truly comes into its own. Whether it's ensuring that compliance renewals are never late, having all pertinent documents available at the click of a button during a remortgage application, or leaving a well-organised legacy for their family, the right asset management system can make all the difference in the profitability of a property portfolio*.

*Although I've been told that not having to worry about everything that could be going wrong due to lack of visibility, is on par with the benefit of being more profitable.

See *COHO's* asset management solution in action:

SCAN ME

USING THE RESULT METHOD TO NEGOTIATE BETTER DEALS AND SECURE HIGHER DISCOUNTS

As a multi award-winning lawyer for almost 12 years, I have a lot of experience in negotiation and, since starting a property investment business with my husband, eight years ago, have used these negotiation skills to secure below market value (BMV) properties and creatively structure deals to grow our portfolio to 45 units.

Negotiation is a key skill for any property investor – whether it's negotiating a purchase price with a seller, interest rates with a private investor or terms for a creative deal with an estate agent. Using the skills I'm about to teach you in this article, I've managed to buy two properties BMV, direct to vendor, negotiate a creative purchase lease option deal and numerous rent-to-rent contracts.

Using the RESULT Method

Firstly, I want to recommend some essential reading for any investor: a book called, *Never Split the Difference*, by Chris Voss. The author is an ex-FBI hostage negotiator and, while negotiating deals with estate agents or direct to vendor, isn't a life-or-death situation (hopefully!) the book has some fantastic tips that you can apply to property… and life in general.

We started investing in 2016 but since 2018 all our deals have been secured direct to vendor. One of my favourite tools from the book for negotiating, is the RESULT acronym. Here's how I obtain direct-to-vendor deals and secure properties with creative deal structuring, using the RESULT method:

RAPPORT: Property is all about relationships and building a strong rapport with the agent, vendor or other party is key. We do this in several ways, such as staying in close contact and regularly following up, keeping detailed notes of any conversations, calling them by their first name and focusing on what they're saying, rather than allowing my attention to drift. I also look for common interests, which helps to keep the conversation going. For example, talk about similar hobbies, as a way of finding common ground.

EMPATHISE: Demonstrating empathy builds on the rapport. In a negotiation you should always be aware of the other party's perspective. When I'm at a stalemate in a negotiation, I try to give them examples of how I have experienced this and say that we can find a way to resolve this together. Showing genuine interest and offering to help, will assist in building your relationship with the other party.

SITUATION: Always read the *actual* situation based on the facts you know. Don't make assumptions! The key to a successful negotiation is to find out what their problem is and then to look for a solution that works for both parties. It's important that the resolution is a win-win for both sides. Motivated sellers are more likely to agree to creative terms, as long as you are able to explain your offer in simple and clear terms.

UNDERSTANDING: Demonstrate that you understand their position and make sure that they understand what is being offered, especially where you are proposing creative solutions. Remember, whether you are negotiating with an agent or a seller, their main concern is finding a win-win for all parties. For example, offering to pay an agent their fees on exchange, for an exchange delayed completion deal, means the agents interests are met.

LISTEN: More than talking (we've all heard it before, but there is a reason we have two ears and one mouth). Don't make assumptions, focus on the person and what they are saying, rather than thinking about what to say next (preparation helps with this). Also, listen out for what they're *not* saying – if they're not being completely open, ask questions to work out the problem. Let them talk while you listen and analyse.

TIME: Make sure you plan your viewings and meetings so that there is plenty of time to build rapport and have a good chat with the other party. The key is to find the *real* reason for their situation. It's better to have one long successful viewing, than to go through 15 short viewings without results.

Other Top Tips for Negotiation:

- **Be prepared** – always prepare before going into a negotiation. Preparation ensures you don't get carried away in the situation and allows you to design an ambitious but legitimate goal. Most negotiations nowadays are on the phone, so I usually have a list of bullet points I want to get across and figures to help steer the conversation. If it would help, role play how the negotiation could go with someone. Try to anticipate what their objections or questions might be and have responses ready. Always have an offer pack (or heads of terms identification and proof of funds ready too.
- **Deliver** – it's a no-brainer but do what you say you're going to do. My most recent deals have been secured because a deal fell through owing to an agent or buyer not delivering on what they promised. So, I live by:
  1. Being on time.
  2. Doing what I say I am going to do.
  3. Over delivering.
- **Follow up** – most deals are in the follow up, as opposed to during the initial negotiation conversation. This is another reason why having a good rapport is key.

A glimpse into one of Kim's properties

Kim Opszala of Komo Properties

Finally, remember that negotiation isn't supposed to be an argument, the goal is to uncover as much information as possible and reach an agreement that works for all parties!

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Kim Opszala

SIMPLIFYING MIXED-USE PROPERTY

HOW TO FIND, VALUE AND ANALYSE MIXED-USE UNITS TO ADD TO YOUR PORTFOLIO

NATASHA COLLINS

Picture this: You find a brilliant residential property... but it's got a commercial unit in it. So then you worry, how do you analyse the commercial element?

Is this you? You've been out looking for the right residential investment that stacks... but the only property that you can find has a commercial element in it (which makes it a mixed-use property) and you have no idea how to analyse it, after all commercial property is dying, right? And why would you take on that risk?

Don't worry, this article has you covered.

Simplifying Mixed Use

Commercial property, for the most part, is analysed very differently to residential. Mainly because commercial units are valued by capitalising the rental income. By capitalising, I mean using an appropriate yield and multiplying this by the anticipated annual rent, to get the value of the commercial unit.

Sounds complicated, but it doesn't have to be, I'll break it down here.

Firstly, commercial units within a building are defined predominantly as property that cannot be lived in. I'm talking about retail, office, restaurant or takeaways, industrial (storage and warehousing) those kinds of properties. Usually, when it's mixed in with residential, you would be looking at office or retail property.

There are pros and cons to incorporating a commercial unit. The pros are that it diversifies your investment. Commercial tenants are more likely to take longer term leases, pay rent quarterly plus service charges, to help maintain the building as well as a share of the insurance. Commercial tenants are also more likely to have higher deposits in place, which means if they default on their rent or other outgoings, you have a back stop available.

The cons of commercial units are that they typically take longer to let than a residential unit and void periods can be costly, as you, as the landlord could be responsible for paying business rates and service charges until a new tenant is found.

Natasha Collins

What You Need to Consider Before Investing in a Mixed-Use Property

The other consideration with a mixed-use property is tenant mix. While landlords usually opt to get the easiest possible tenant into a commercial space, they forget to think about the management headache this may cause. For example, tenants such as takeaways, may cause nuisance with late night deliveries or food smells coming from the unit, which residential tenants could complain about. If residential tenants could complain, then this will also hinder the availability of mortgage products... lenders feel that if it's a problem for residents who live there, then the residential units may have a lower value.

Therefore, you want to look for properties where the commercial tenants are beneficial to the residential tenants. Think coffee shops, convenience stores, launderettes, gyms, nurseries, etc. Or if the unit is vacant, contact local businesses who may want to take this space, the benefit to that business is that there would already be potential customers in the building. Having a 'useful' commercial tenant would be a major bonus to residential tenants, who are often looking for good amenities within a building.

The location should be accessible to the people who would work at the property

What Makes a Mixed-Use Property a Potentially Good Investment?

Start by considering location and accessibility. While residential property has a wider range of areas it will be suitable in, commercial property needs to be in the right place. The location should be accessible to the people who would work at the property, as well as their customers. Accessible could mean either by walking, by car or public » transport links. Next up, do a quick market analysis. What is the local demographic of the area and what services would be well placed here? I know it's rather morbid, but there is a reason you find multiple funeral directors in certain locations. Whenever you're looking at a mixed-use property to buy, think about the potential tenants that would fit in the space. Look for similar type units in other locations and see what tenants are in that space, use this as an idea for what your space could offer.

A myth I want to bust, is that you can't have multiples of the same types of tenants in an area. For example, you may baulk if you see two coffee shops side by side. However, in practice this can be a great thing, customers like options. Not too many options; a row of five coffee shops may be overkill and all five businesses will suffer. But say you have a *Starbucks* next to a local independent, you're giving customers choice; *Starbucks* offers familiarity, whereas the local independent offers the customer a chance to discover local, more specialised coffees and treats to go with it. Using your previous assessment of what type of tenant would suit the space, see if there is any local competition, if there is only one other offering of that type of tenant and that offering is doing well, a second offering may enhance the area.

Commercial tenants are more likely to take longer term leases

At this point you should have decided whether a commercial tenant would actually want the property. Now it's time to do a financial assessment and see if the property price stacks.

How to Value a Mixed-Use Property

As a surveyor, I would be going into the unit and measuring up, then finding comparable transactions and doing a rental analysis. Next, I'd look at sales comparables, to see what yields similar commercial properties are transacting at and finally, I would speak to local agents, to find out how long units are taking to let.

If you are thinking, "Natasha, I haven't got time for all of this research," I'll make it a little bit simpler.

Get the area (size) of the commercial unit from the property details. Or failing that, go on the government's *Valuation Office Agency* (VOA) website and use their floor areas (please note, the VOA is notorious for under or over measuring, so don't rely too heavily on this).

COMMERCIAL UNITS WITHIN A BUILDING ARE DEFINED PREDOMINANTLY AS PROPERTY THAT CANNOT BE LIVED IN

Then check *Rightmove* commercial to see what properties are listed for rent nearby. Pick the closest property to let. Phone the agent marketing that property, explaining that you are looking to buy a property of a certain size nearby. Ask them roughly how long it would take to let the property and what rent you would expect to achieve per annum, in a worst-case scenario.

Now, you need to find the appropriate yield for this transaction, so that you can come up with an approximate value of the property.

The easiest way of doing this, is to use an online database such as *Edozo* or *EIG Property Auctions*, look for recently sold commercial property in the local area and what yield they sold at (this will require the building to have been tenanted, for the yield to appear next to the sales comparable). If you haven't got access to these databases, phone a local commercial agent and ask what yields commercial properties are transacting for in the local area. If you are not in a prime location, like central London or Edinburgh and the tenant is a big covenant, like *Tesco*, I would expect the yield to be somewhere between 7–12%.

Using this information, you can calculate a loose value for the commercial.

Using Your Data to Calculate the Value

Find your yield multiplier. Using the comparable yield, add 0.5% to it for risk, i.e., if your comparable yield is 8%, I would add 0.5% to this to get to 8.5%, which is the yield you will use to value the property.

Next, calculate the multiplier by dividing 100 by the higher yield. In my example, this would be 100 divided by 8.5, which equals 11.76 – meaning 11.76 would be the multiplier.

Now multiply your estimated annual rent by the multiplier, to calculate a corresponding value. If my estimated annual rent was £20,000, my calculation would be £20,000 times 11.76, which equals £235,200. This would be the approximate value of the commercial element.

If the commercial element was vacant, I would then want to deduct the cost of a void period from this amount. This would include letting and legal fees (which is about 15% of the first years' rent. In my example, this would be £3,000) and the rent for the time it would take to let the property. If the agent had said it could take six months to let the property and my annual rent was £20,000, this would be a £10,000 deduction. Therefore, the value of the commercial element, if it was vacant, would be somewhere closer to £220,000.

If you need to renovate the commercial element or do any upgrade works, you would also discount this from the purchase price.

And of course, without teaching you 'how to suck eggs', you would offer to buy at a price lower than the estimated value.

Now, you have all the information you need to understand whether the commercial element of the property is a good deal. You'll know whether the commercial property would let and to which tenant demographic, as well as the value of the property.

The final decision that you have to make is, does this property fit in with your investment goals? That final question is something only you can answer.

If this article has got you interested in taking your commercial property journey further, you can access my step-by-step *Commercial Property Investment* strategy, for free, by scanning this QR code or visiting, **ncrealestate.co.uk/commercial-strategy-flowchart**

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TAKING THE LEAP

THE JOURNEY FROM CORPORATE LIFE TO FULL-TIME PROPERTY INVESTOR

I learnt one thing very quickly early on in life...

Nothing is secure unless you secure it yourself.

This reality hit home more profoundly than ever on March 23, 2020, when the world officially ground to a halt due to the covid-19 pandemic.

Picture this: For the last seven years, I had thrived as a premium travel consultant, crafting dream holidays and experiences for clients worldwide. Suddenly, my livelihood and sole income vanished with the click of a finger and all I could think was, "What now?"

Like countless others, I found solace in weeks of *Netflix* and *Disney+* marathons. Then, one day, a social media advertisement caught my eye — a property training company offering to teach aspiring entrepreneurs how to start their own property business. Intrigued, I signed up online for £99 and spent the following weekend immersing myself in the world of property investment.

Athena Dobson

© Athena Dobson

Fast forward, three to four weeks later and armed with newfound knowledge from research, podcasts, books and conversations, I suddenly found myself as CEO of my first company and navigating the conveyancing process, for my first buy-to-let property — a modest 1-bedroom flat. This is my story of going from full-time employee, to full-time in property and my advice on how you can leave your job and fulfil your dreams of being a professional property investor.

How to Juggle Multiple Tasks While Still Working a JOB

They say every investor has that one property where they learn all their invaluable lessons, and my first buy-to-let was certainly mine. This property alone, served as my crash course in purchasing through a company, forging alliances with contractors and planning consultants, and adeptly handling unforeseen challenges, such as installing new chimneys and sewage systems. To say it was a steep learning curve would be an understatement!

Life picked up speed from then on, even as I returned to the grind of full-time employment. However, my unwavering ambition to run my own business and immerse myself in property investment, never faltered. I became adept at managing multiple tasks simultaneously. If you ever find yourself in a similar situation, here are a few tips I'd recommend: browse your favourite property websites like *Rightmove*, *Zoopla* and *On the Market* in the evening, but schedule your emails to agents to be sent out first thing in the morning around 8 a.m. This allows you to follow up with calls during your lunch break at work. Weekends also quickly morphed into my dedicated property days, filled with viewings and meetings.

Fast forward to September 16th, 2022 and after acquiring several more properties, I took the leap to become a full-time property investor. I distinctly remember the first day I no longer received pay checks from my employer. It was a moment filled with both uncertainty and conviction — I knew, deep down, that this new venture had to work and my only path was to move forward.

As I sit here today and reflect on my journey thus far, I think to myself, what three key insights do I wish I had embraced at the beginning of my entrepreneurial and property investment journey? So please allow me to share what I wish someone had shared with me, in the hope that it inspires you, to navigate your own path towards success.

1. Let the Strategy Choose You

It's a common misconception among business owners and property investors that we can control every aspect of our ventures. However, reality often teaches us otherwise. I used to believe I could simply pick and choose the investment strategy that appealed to me. Yet, in the realm of property investing, this approach falls short. Instead, success demands starting with the end goal in mind. What outcome are you aiming for? How do you envision your lifestyle to look?

All too often, I've witnessed investors pursuing strategies that don't align with their personal values or lifestyle objectives. For instance, an individual investing in serviced-accommodation units, with the sole intention of receiving passive income and a quiet life, might otherwise find that, as other serviced-accommodation providers will attest to, their personal values and property objectives are misaligned, and as a result, often leads to frustration and eventual abandonment of the investment.

So, ask yourself: What is your primary objective for property investing right now? Are you seeking cashflow to transition away from your full-time job? If so, strategies like rent-to-rent, deal sourcing and property management may be suitable. Alternatively, if you're content with your current job and looking to simply buffer your income, strategies like flips or buy-refurbish-rent-refinance, may be more appropriate. Or perhaps you're aiming to create a legacy, opting for a hands-off investment, like a buy-to-let property, that appreciates over time? After defining your lifestyle objective, the ideal property strategy will naturally present itself, paving the way forward on your journey.

2. Enjoy the Process, Not Just the End Result

To be completely transparent, this is still a concept I am navigating. As entrepreneurs and business owners, it's all too tempting to fixate on the outcome, as it's ultimately what pays the bills. I found myself trapped in this cycle. I became almost singularly focused on the end result, always chasing 'the next deal'; 'the next investor'; 'the next property' and so on.

Too often, we forget to pause, look up from our screens and devices and appreciate the people and experiences around us. Life has recently taught me how short and precious it can be. It's essential to relish and celebrate every win, no matter how small, to take leisurely walks with friends and to indulge in life's simple pleasures, because we never know what tomorrow will bring.

Becoming a property investor and business owner isn't just about achieving financial wealth; it's also about personal growth and fulfilment. It's crucial to take a holistic approach and ask yourself, "What kind of lifestyle would I like to live?" Additionally, reflecting on your journey and acknowledging how far you've come is essential. In the world of property, setbacks like deals falling through or investors backing out, can make you feel stagnant. Instead, remember where you were a year ago — perhaps you were struggling to analyse deals or lacking connections with investors you now speak to daily. Appreciate the progress you've made and enjoy the journey not just the result.

3. Consistency, Consistency, Consistency

As most will know, I live by this mantra daily. Consistent daily actions are the pathway from where you are now to where you want to be, even if you improve by just 1% each day. Consider it akin to hitting the gym. If you only went once, you wouldn't see much change, but if you went three times a week for a month, you'd start noticing a difference in your physique and as a result you'd keep going.

Apply this analogy to business and property investing. Attending just one networking event won't yield much result, but if you're committed and attend regularly, you'll see progress and start building relationships in your area, which will lead to results. Similarly, with estate agents, maintaining consistency and nurturing meaningful connections, will lead to tangible outcomes over time. Consistency above everything else is what will accelerate you forward.

Reflecting On the Journey

So, as I look ahead to the future, I am incredibly excited about what lies ahead. My property portfolio is growing, I am the host of the *Dorset Property Network* and I am also the creator of the *Property Lifestyle Accelerator Programme*, which teaches other aspiring investors how to accelerate their property journey, with a simple seven-step blueprint formula. I am also the proud founder and CEO of the *Girls in Property Community* and *Podcast*, whose sole mission is to create a supportive community, where women from all corners of the industry can connect, share insights and uplift each other, in the dynamic world of property and construction.

And finally, as most will tell you, I love to chat and always open to helping others, so if you want to get in touch, the best way to find me is on social media at either **@athenadobson_offical** or **@girlsinproperty**.

One of Athena's properties under refurbishment

A finished bedroom in one of Athena's first properties

And remember — entrepreneurship, particularly in property, is no easy path. It is NOT a get rich quick scheme and demands unwavering dedication, hard work and resilience. However, by staying consistent and true to your values, owning your own property business can offer you the freedom to live life on your terms. I'm deeply grateful that I now experience this freedom every day and if I can do it so you can you!

Remember — YOU are your greatest asset and investment.

Be the one who starts when others stop. Keep Going and Good Luck.

CAN SOURCING AGENTS EVER BE PROFESSIONAL?

HOW TO PROTECT YOURSELF FROM ROGUE SOURCERS

The role of property sourcing has been around for some time now, but it still always amazes me how many different titles the same role can be given; often to try to avoid the dreaded 'compliance' or simply the incredibly poor reputation that the property sourcing and deal packaging sector currently carries.

Property sourcing appears to have amassed an impression across many quarters that it is run by amateurs, carrying out 'dodgy deals', with very little knowledge, inaccurate or misleading descriptions and figures, and providing unsuspecting investors with a poor-quality service; and to be brutally honest, I would find it very difficult to argue with that right now!

If you search *LinkedIn* on any day of the week, you will find property sourcers, deal packagers, portfolio builders, property shoppers, property deal hunters, property traders and many, many more different titles used, but basically, they are ALL sourcing agents or deal packagers.

From speaking to property investors on a regular basis and reading posts and comments on social media platforms, I think that from the perspective of an investor, searching for a potentially legal, professional, ethical and honest sourcing agent to work with and trust, is to say the least, a minefield.

Even experienced investors can come unstuck working with a sourcing agent, if they don't complete in-depth due diligence on the agent and a constant eye on what is going on in their project.

Story Time – Real Life Cases Reported to Us and Asking for Help...

Reginald (fictional name to protect the innocent) v HMO (house in multiple occupation) Sourcing Agent

Reginald was a very experienced investor, specialising in HMOs, but he was short on time for searching and finding his next deals, so wanted help from a sourcing agent. He found one that told him they could find what he was looking for, manage the refurbishment and conversion to HMO standards and deal with licensing requirements for that area.

The agent sent Reginald details of a property which fit his investment criteria exactly, Reginald purchased the property, paid the sourcing fee and the sourcing agent then commenced to supervise the full refurbishment and conversion of the property to meet HMO standards.

How brilliant, you may think, just what Reginald wanted; come on, how many times have you seen a happy ending in these situations!

Reginald decided to visit the site on the same day that the HMO officer was inspecting it in order to issue a licence. After inspecting the site, it was pointed out to Reginald that there was a long list of failures:

- Two of the five bedrooms – too small.
- Fire alarms – wrong type and poorly fitted.
- Emergency lighting – non-existent.
- Fire doors – poorly fitted and not to the required standard.

Hence, licence refused!

Upon questioning the agent further, it transpired that, shock horror, the sourcer had never purchased a property before, never refurbed a property before and had no idea what the standards for a HMO were, nor the specific standards for that local authority.

A huge amount of cash had to be spent to undo what had been done and bring the property up to standard for the licence to be issued. You would hope, lesson learnt by Reginald!

Edith (fictional name to protect the innocent) v SA (serviced accommodation) Nightmare!

Edith and her three friends were first time investors and having just completed a training course on serviced accommodation, decided that was the strategy for them. They would each buy properties for cash, refurbish to a high standard, refinance, pull all cash out and hold a high demand and cash flowing SA investment.

They decided to work with a sourcing company that had a great website and what appeared to be lots of experience in sourcing, refurbishing and managing this kind of deal in the Northwest. So, they paid reservation deposits on three, two-bedroom apartments; one for each of them and completed on the cash purchase shortly after, using a solicitor recommended by the sourcing agent.

The sourcing company were employed to manage the refurbishment to satisfy the local serviced accommodation market, but Edith and her friends didn't live locally, in fact, they lived some distance away, making it difficult for any of them to travel to keep an eye on progress. The months passed by, and progress appeared very slow.

Eventually, after six months of waiting, the properties were declared ready for their RICs valuations and refinancing to be put in place. Yes, you guessed it; the valuation came in lower than even the original purchase price, never mind the cost of the refurb!

Tina Walsh

But, to add insult to injury, when we checked land registry, the title deed had a restrictive covenant in place; 'No subletting permitted'; double whammy!

They had bought three apartments whose value didn't meet even the original purchase price and they couldn't fulfil their SA strategy either. It appeared that despite having told the solicitor (verbally) what their intention was, to use them for SAs, no checks were done on whether this would be possible, before the purchase; or if done, the result was not passed on to Edith and her friends.

But it doesn't have to be that way...

How Can Sourcing Agents Up Their Game and Provide That Professional Service?

- Know the chosen geographical area very well – boots on the ground (not 250 miles away and never visited).
- Good understanding of the strategies chosen to source for – e.g. BTL (buy-to-let) HMO, SA etc., (not every investment type ever invented.)
- Signpost inexperienced investors to independent finance or wealth advisors, for their guidance before working with them.
- Build relationships with investors, understand their requirements and what is important to them.
- Know and disclose all material information important for any strategy to succeed – e.g., local HMO standards, restrictive covenants, etc.
- Have either experience or good knowledge of refurbishing a property and adequate insurance in place should things go wrong – a professional indemnity insurance policy does NOT cover for refurbishments.
- Provide professional presentations, with all relevant information included, do not mislead or leave out important information.

What Do Investors Need to Ensure They Do, To Help Protect Themselves?

- Check the sourcer's knowledge of the geographical area chosen – How do they know the area; do they live there?
- Check the sourcer's knowledge and understanding of the chosen strategy – Ask questions to gauge level of knowledge.
- Ensure you have a good enough knowledge of any chosen strategy and the location before committing – If you don't understand, how can you check that what is being stated is correct?
- Don't trust that another professional recommended to you is good at what they do or has your best interests at heart.
- Ensure you make clear in writing, what the intended purpose of the purchase is, e.g., SA and get a written response acknowledging this and that the information checked allows for that strategy to be used.
- Make the effort to visit the property to stay up to date with progress and standards of work; at least until you are sure of the sourcer's capabilities to manage such projects.
- Ensure there is adequate and relevant insurance cover in place for the services offered.
- Never pay large sums of cash up front, without ensuring there is adequate protection in place and how and when you can get it back if things don't work out.

A large number of property sourcers or deal packagers have never owned a property or carried out even a basic refurbishment and yet, time after time, investors risk their hard-earned cash working with agents and carrying out little or no checks on them.

Sadly, when complaints are submitted to either of the government approved redress schemes, the investor's role in the process is also assessed, could they, should they have done more to protect themselves and this does affect any subsequent allocation of financial awards.

Property sourcing when done legally, compliantly, ethically and professionally, can provide a lucrative source of income and be a great support to those investors who wish to use those services.

Make sure as a sourcing agent you are the best that you can be and, as an investor, you do all you can to protect yourself.

Forget, 'location, location, location' and do 'due diligence, due diligence, due diligence'!

napsa.org.uk

PropertyData

Will your next investment be based on **facts or fiction?**

propertydata.co.uk

NetGain CLUB

Multiple events in the UK.

A fun, unique and informative community for established and aspiring property investors hosted by Mark Winship and Emily Smith.

Full event details can be found on our website: www.netgainclub.com

BPN BRISTOL PROPERTY NETWORK

A friendly, interactive, supportive and positive space where you can learn more about property investing and business know-how.

Whether you are a property newbie, an experienced property investor, landlord, or property service provider, you will be very welcome.

Location: 589 Southmead Road Filton BS34 7RG

For details on future event dates, contact the host:
wendy@solutionproperty.co.uk

PROPERTY INVESTORS NORTH EAST
P.I.N.E

Property Investors North East is the go-to event for investors 'up't north'.

Join a growing community of property folk and hear from industry experts every month.

Location:
The Royal Station Hotel, Newcastle Upon Tyne

Time: 18:30

Date:
The first Thursday of every month

Host email: peter@aqualettings.co.uk

PROPERTY NETWORKING BRUNCH – LEEDS

Food and a few drinks with property folk in Leeds City Centre. People of all experience levels are welcome.

This is a quarterly event.
Contact me for more information on dates and times.

Host email:
carolinetolman@outlook.com

BAY PROPERTY NETWORK
MORECAMBE

A vibrant networking group in Morecambe hosted by Katie Banks and Peter Baker.

Location:
Vale of Lune RUFC,
Powder House Lane,
Lancaster LA1 2TT

Time: 18:30

Date: Last Wednesday of the month

Booking link:
www.eventbrite.co.uk/o/bay-property-network-27104233761

Property Catalyst Club

An invite-only networking event for director-level property professionals.

More information on how to join can be found on the website, or by emailing hi@bluebricksmagazine.com to request an invite.

Time: 13:30-15:30

Website:
propertycatalystclub.co.uk

MIDLANDS INVESTOR NETWORKING GROUP
M.I.N.G

The Midlands Investor Networking Group (M.I.N.G) was established in 2016 to bring together professionals in the property industry, including developers, investors, and solicitors. Hosted by Mark Burrows and Vicky Chittock, our monthly daytime events attract up to 100 property enthusiasts.

Date:
Second Monday of every month
(No event in August)

Time: 10am-2.30pm

Website :
mrbproperty.co.uk/network-events

The Property Thing

One of the most vibrant and entertaining events in the North East, The Property Thing is hosted by long-established property investors Anthony Boyce and Paul Million.

Location:
Blackwell Grange Hotel, Darlington

Time: 18:30

Date:
Second Thursday of every month

Link:
The Property Thing Group (Facebook)

Host email:
anthony@therocketgroup.co.uk

Blue Bricks Magazine

Our very own networking event with a community of highly experienced property investors and industry experts who travel across the UK to speak for us. Free for members of Blue Bricks Magazine.

Location:
The Banyan, City Square, Leeds
(you can also live stream this event via Zoom).

Time: 18:30

Link:
Check out 'networking' on our website bluebricksmagazine.com

Host email:
hi@bluebricksmagazine.com