Issue 131 May 2019

YOUR PROPERTY NETWORK

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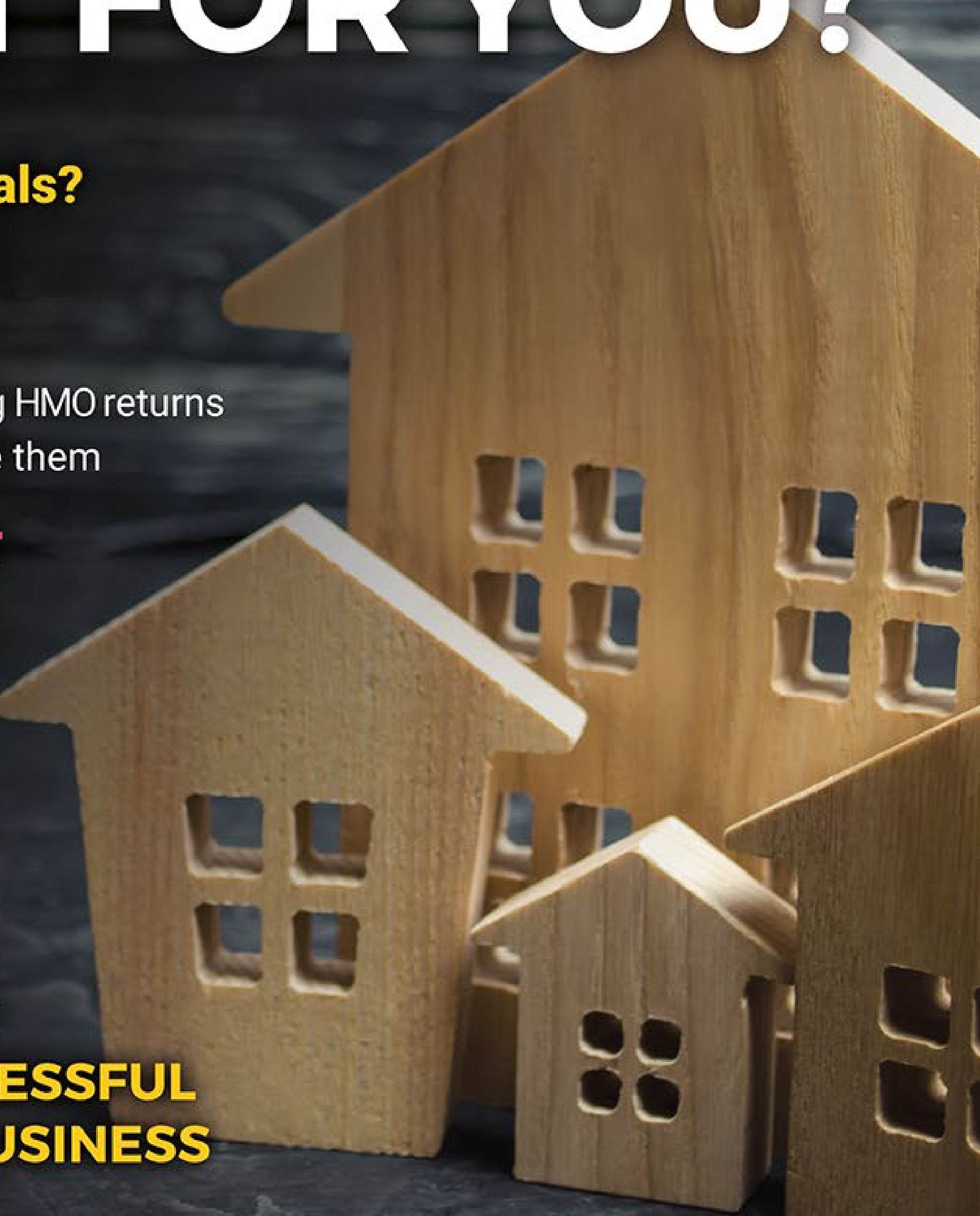
WHICH HMO IS RIGHT FOR YOU?

- Students?
- Young professionals?
- Manual workers?
- The LHA sector?

Investors share outstanding HMO returns and what it takes to achieve them



FROM BURNT OUT DRUG DEN TO SUSTAINABLE SOCIAL HOUSING

Reader case study netting £1,200+ pm cash flow

THE 7 ESSENTIAL COMPONENTS OF BUILDING A SUCCESSFUL RENT-TO-RENT BUSINESS

Plus AN INSIGHT INTO BUILDING REGULATIONS

Welcome TO THE MAY EDITION OF YPN!

It's hard to believe that we're almost halfway through the year already! I hope your investing plans for 2019 are on track.

If HMOs feature on your plan for this year, this issue is packed with case studies, investors' stories and expert views on multi-let properties for different types of tenants. From students to tenants on benefits, from young professionals to manual workers, you'll find a story or information that is relevant to your strategy.

There's something of a social conscience creeping in this month too, with references to social housing not only in terms of housing tenants on benefits in HMOs, but in a reader's story of converting an extremely run-down building into three flats and renting them out to a social housing provider.

Other articles this month offer an insight into building regulations as well as the next in the series of Sustainability and Going Green articles. Is building with straw best left to eco-warriors or is it a viable development option for the future? Heidi Moment investigates further.

Most of us still tend to refer to property investment in terms of bricks-and-mortar assets but more and more we are being presented with other development materials as construction technologies advance. Our job here at YPN is to keep you informed about investments that will work for the long term, whether they are houses built from straw, timber or stone!

To your investing!

Jayne Owen

EDITOR

FEATURES

BEGINNERS

DEVELOPMENT & REFURB

INVESTING

FINANCE

LANDLORD

EDUCATION

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WHICH HMO IS RIGHT FOR YOU?

HMOs are a popular strategy with property investors. Not many people would argue with that. Nor would they argue that HMOs – or room lets, house-shares or multi-lets if you want to use a different term – done properly are generally more lucrative than the standard single family let.

In fact, they can be extremely profitable and it's not uncommon for owners of modest-sized HMOs to achieve a cash flow in excess of £1,000 per month and/or an ROI of 25%-30% or more. Look no further than some of the case studies in this feature for evidence of that. For larger properties, economies of scale kick in and they can yield even better returns.

The popularity of HMO-as-a-strategy, however, can muddy the investing waters. Why? Because, like all other successful investing models, it has to be driven by the market. Deciding to invest in HMOs is one thing; putting out the right room-share product for the tenant market is another.

There are four distinct tenant markets for HMOs. These are **students**, **young professionals**, **manual (or blue-collar) workers** and **individuals in receipt of housing benefit (also known as the LHA HMO sector)**. There are pros and cons to renting to each of them.

Experience has taught investors not to mix tenant groups in the same house. So before jumping in at the deep end, take that experience on board and invest some time in researching where the demand lies in your area.

Tenant groups will vary in different geographic areas, so there are two options when you start: **(a)** choose the area to invest then prepare suitable HMOs for the predominant tenant group, or **(b)** choose the tenant group you want to work with and set up shop in the relevant location.

On top of considering the tenant market, it's worth bearing in mind your own experience and skillset, and the nature of how you want to operate. Let's be blunt here – not everybody is going to be great at running every type of HMO.

As a rough example, at the risk of generalising, a background in a caring profession, administration or social services might put you in a strong position to work with people in receipt of benefits, some of whom may need help to complete all the paperwork so the rent gets paid. It might not be such a good group for you to target though, if you're not blessed with patience when dealing with people!

The degree to which owners/investors get involved with management varies. Management of an HMO is a bigger burden than it is for single lets. It can be outsourced, but if you choose this route make sure the agent specialises in room lets.

Managing agents for student lets are more widespread than for the other types of HMO, partly because tenancies run for a period of 10-12 months (depending on area) to cover the academic year, whereas other tenant groups are likely to consist of individuals with tenancies of varying lengths. I've spoken to many investors who have outsourced HMO management only to take it back in-house again and do it themselves.

In addition, the facilities, style and décor of your HMO may need to differ according to the tenant market. What's the age range of your potential tenants? Are they looking for en-suites? Will they be socialising with each other? Will they have cars? Do you need to create bike storage? How much support are you prepared to give them? And so on.

All HMOs are subject to rules and regulations, but other considerations may be relevant for particular tenant types. Such is the experience of Richard and Emma Purseglove (see later in this feature), who operate in the manual worker sector and keep a close eye out for people trafficking and exploitation.

To get a rounded and contemporary perspective, we have spoken to investors with experience of operating in each of the four tenant markets. As well as sharing case studies, they outline the highs, the lows and the realities of dealing with the tenants in their HMOs to help you decide which model is best for **YOU!**

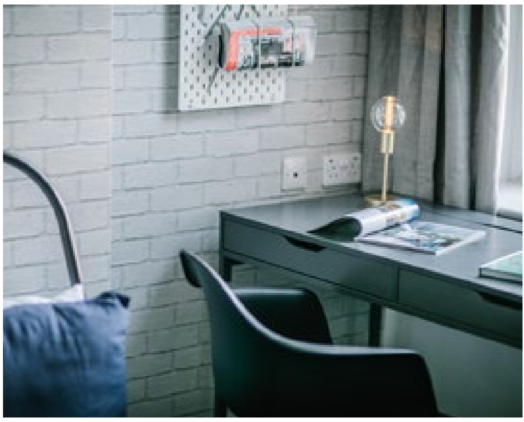
Jayne

DESIGNED FOR WELL-BEING

HIGH QUALITY SPACES THAT ARE ENJOYABLE TO LIVE IN

Interview & words: **Heidi Moment**

Urban designer and landscape architect husband-and-wife team, Philippa and Tom Charrier, are taking the student HMO industry by storm. Their approach focuses on design excellence, great service and is all about student comfort, happiness and well-being. Students love their properties so much they reserve rooms almost a whole year in advance. We met up with them to find out how they do it.



MEET PHILIPPA

I've always loved everything to do with design and buildings – it's my absolute passion. So I chose to study architecture at university. I bought my first property when I was at university and let two of the rooms out to pay for the mortgage. I worked for a few years as an architectural designer but wanted to work on larger, more visionary projects and so became an urban designer specialising in urban regeneration projects. I worked on brownfield sites all over the UK, where I enjoyed working with local communities to regenerate areas, bringing back derelict areas of land into use again. I loved working with the communities on the social housing estates, getting them involved in the design process. It was incredible to witness the power of design (good and bad) and how it had a profound impact on people's lives.

We lived in Australia for several years too, where I led an urban regeneration project in Newcastle, New South Wales. It won an award for Excellence in Urban Design at the 2011 AILA New South Wales State Awards.

MEET TOM

I trained as a landscape architect and worked in a design practice for many years on mixed-use, residential and commercial schemes. After we moved back from Sydney I needed a new challenge so transitioned into a planning practice, where I specialised in large-scale residential projects– typically controversial ones which would end up at public inquiry. I presented evidence as the expert witness at a number of public inquiries, which was a lot of fun. I really enjoyed the challenge of being cross-examined by experienced solicitors and QCs, but, ultimately, working in a practice for someone else was never going to satisfy me long term.

"We've always lived and breathed property"

LIVING AND BREATHING PROPERTY

As you can probably tell from our jobs, we've both pretty much always lived and breathed property, so it was inevitable we would want to get into investment and development ourselves. Before we got together we both separately owned our own properties, which we originally bought to live in, but then ended up renting them out when we got together and our circumstances changed. We got the bug then, really.

Property works really well with having a family too, as we can be flexible. We have three children and Philippa wanted to be at home with them, whilst also doing something meaningful and property ticks all those boxes.

MAKING A DIFFERENCE

We live in Kendal, on the edge of the Lake District. There are several property options here – single lets and holiday lets are pretty common, but we decided to look at the student market. There are two universities within a 30-minute drive from us – Lancaster University, which is consistently in the top 10 in the UK, Sunday Times University of the Year and the University of Cumbria. Both have a good reputation.

We have both been students, and we've both lived in some pretty awful places, so with our experience and background in design and architecture we knew we could make a difference and add value to the current student housing market.

FAT PROPERTIES

One of our key selling points is how spacious all our properties are. They all have large rooms. In the early days we used to say they were FAT and it stuck.

Our approach is to focus on design excellence and the needs of the end-user.

We prioritise that above all else.

CONVERSION CRITERIA

Over the years we've built up our criteria and we now know exactly where to look and which streets to target to get the type of houses we want. We look for quality period terraces with the following:

- **In a great location** not only for students, but professionals and families too. To provide multiple exit strategies. We don't buy in student-dominated areas.
- **Within 20 minutes of the university** (by bike) but within walking distance of the city centre.
- **Close proximity to local amenities.**
- **A setback from the street** to provide defensible space and create a sense of personal ownership. This allows residents to take responsibility for the street around their home as well as fostering a stronger sense of community, resulting in a safer neighbourhood.
- **Well-lit streets** and no dark alleyways to get to the house. The safety of our tenants is important. We don't want to put them in danger by having to walk through an alleyway to get home.
- **Good proportions** – lots of natural light, big windows and spacious rooms.
- **Outside space** – for exercising, studying or socialising.

Our HMOs range from having four to six bedrooms. We are happy to have more if there is the space. Our only stipulation is we're not scrimping on the size of the bedrooms or communal areas.

In our more recent HMOs we've added en-suites in the bedrooms, but whilst having an en-suite is appealing to tenants, it isn't a deal breaker, so we only put them in if the space allows it.

SPACIOUSNESS AND COMFORT

Space is important. We want our tenants to feel like they are entering a spacious house, so we look for high ceilings and large rooms. We look for the windows to be proportionate to the size of the house, with a lot of natural light coming in.

Victorian terraced houses have great proportions. They're really well designed, so we can work with them. We're not interested in chopping them up too much, as that makes the proportions feel unnatural or forced.

We're designers at heart and we want to create high-quality spaces that are enjoyable to live in. Fundamentally, all our education and professional background has been about the physical environment and understanding how the spaces we live in can affect our mood, behaviour and sense of well-being.

> "Our design ethos is all about **spaciousness** and multiple opportunities for **social interaction**"

With 25% of students suffering from mental health problems each year, we want to create houses that are specifically designed to encourage positive moods, behaviour and a heightened sense of well-being. This is really important to us, and we also make regular donations to Student Minds, the UK's student mental health charity, to help further.

The students who live in our houses are friends, so they want to socialise, eat and watch TV together, so it's essential there is sofa space for everyone and that the dining table is large enough for everyone to eat at the same time. They may not use it all the time, but the option is there when they want it.

Everything has to be comfortable and spacious enough for the tenants to just live normally in it. It's not a profit maximisation exercise for us. It's about quality. We have a threshold of income and profit to make, of course, but beyond that threshold we're aiming at quality, and thinking about the end user – how they want to use the space and how we would want to use it if we lived there.

It would be easy to squeeze another 10% ROI by cramming in another bedroom or reducing the size of the living space, but that's not what we're about. We're much more focused on designing a quality space that is enjoyable to live in.

CASE STUDY **HUBERT PLACE**

The Property:

A huge Victorian terraced property split into seven bedsits, in a terrible state. The landlord had owned it for 30-40 years and, he hadn't done anything to it in all those years, no joke! There was no central heating. Each bedsit had a water heater on the wall, plus a little kitchenette, a sink and its own electricity meter. There were two house bathrooms and one kitchen. It needed a lot of work, but we fell in love with it as soon as we saw it. It had fantastic proportions, great open space, and we could just see the vision.

The Plan:

To convert it into a 6-bedroom HMO.

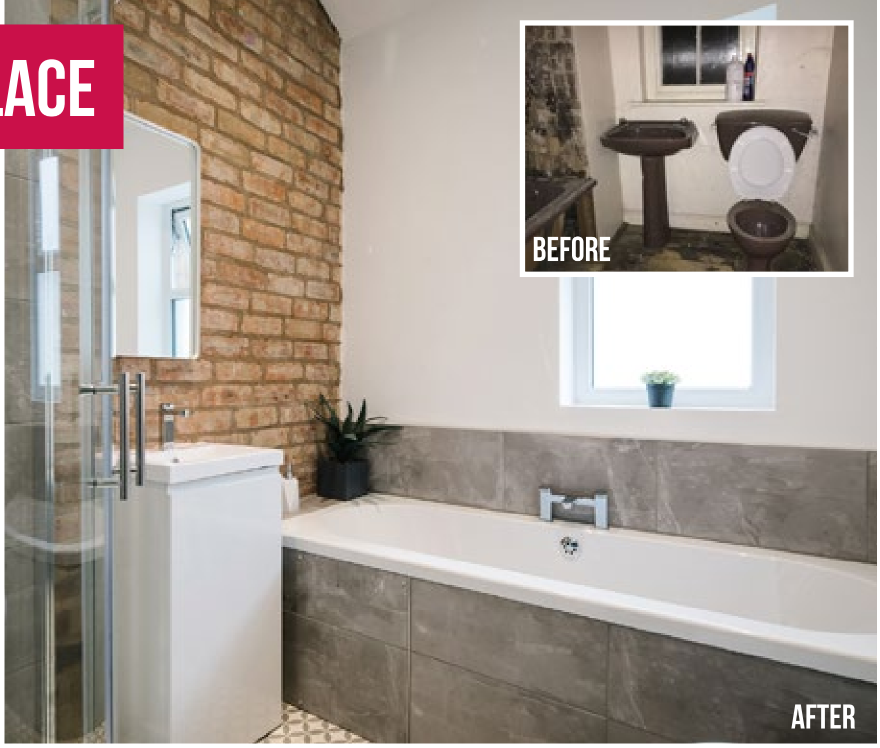
Works Include:

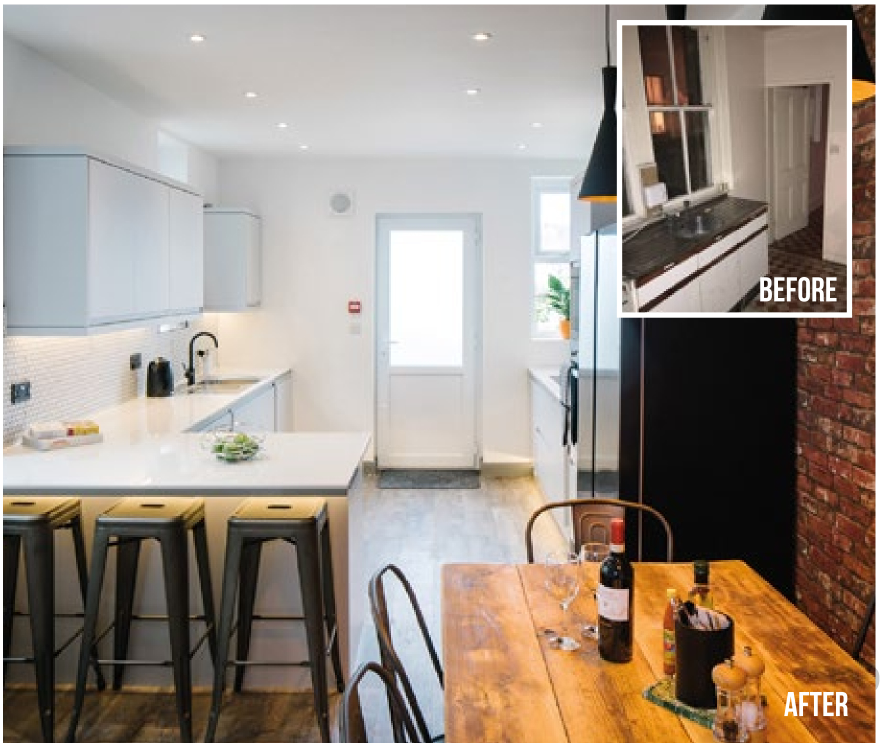
- **Redesign throughout**
- **Layout planning**
- **Rip everything out**
- **Remove chimney breast and fix steels in place**
- **Remove load-bearing walls separating lounge and second reception room to create an open-plan feel**
- **Roof & chimney repairs**
- **Replace some rotten joists**
- **Install ensuites**
- **Install central heating**
- **Full rewire**
- **Replaster the whole house**
- **New flooring throughout**
- **New kitchen**
- **External works including new seating area**
- **Fire proofing – fire doors, fire alarm, fire boarding**
- **Decoration**
- **Brand new furniture throughout.**

It was about as big a job as you could get without actually doing any new build.

The Numbers

Open market value:	**£150,000**
Purchase price (incl. all costs):	**£147,500**
Refurb cost:	**£100,000**
Total costs including all refurb, acquisition, and sales costs:	**£254,000**
Cost per room:	**£42,000**
End value post refurb:	**£300,000**
Room rates :	**£125 (but will increase to £130 next year)**
Gross monthly rental income:	**£3,000**
Monthly bills and mortgage:	**£1,500**
Monthly net profit:	**£1,500**





MARKETING & MANAGEMENT

We market our rooms on our website and also through Lancaster University Homes, a department set up by Lancaster University a few years ago. It's an accredited system, whereby they accredit houses and landlords that aren't part of the university. It's quite a rigorous process, where they test the properties and do regular check ups to ensure your property meets all the regulations. It's great because it's raising standards across the whole of Lancaster. All of our houses have been featured in their promotional material for the scheme, which has been helpful publicity.

Our tenants usually come to us as a group and are all on one AST. The rent includes all of the bills – gas, electric, water, TV licence, Netflix, maintenance, cleaner, etc. They don't pay anything extra. We're very customer-centric. We do all the maintenance and anything they don't spend on gas and electricity as part of the utilities allowance we return to them at the end of the year – its a nice bonus for them (and creates positive word-of-mouth referrals), and it encourages them to be sustainable.

The experience of our tenants is key and the ongoing management of the house is critical to maintaining that. For this reason we manage them in-house. Keeping the houses in great condition and the tenants well-looked after is not just in line with our values, but it makes good business sense too. As we scale up we'll begin to employ people on this side of the business, but we want the culture we create to continue, rather than simply outsourcing management and losing control.

WE SECURE TENANTS ALMOST A YEAR IN ADVANCE

Most university students tend to follow the same pattern – living in halls in the first year and then moving in with friends in the second year. It's the second and third year students we are targeting. Term starts in September and often first years will meet their new friends at Fresher's Week and begin looking for a place to live together in their second year almost immediately. This is great news for us, and we often find that by November we have agreements signed for the following year. If anything changes we know about it in advance so we have plenty of time to find someone else.

Some tenants stay on into their third year. Others leave the city to go and do a year out working in industry, so groups of tenants can change, which is fine.

50 WEEKS A YEAR AND NO VOIDS

We operate for 50 weeks of the year. There are always two weeks in the summer when students go home to see their family. These two weeks are always a bit manic, cleaning and doing maintenance to get ready for the next set of tenants. Fortunately we've got a great team of trades who we book in advance and are ready to hit the ground running as soon as the tenants move out.

We don't have void periods. We let the properties out so far in advance that if somebody changes their mind before they move in, we have time to get different people into the property.

COMPETING (OR NOT) WITH THE PBSAS

Student accommodation is completely different nowadays. Standards are being raised and **purpose-built student accommodation** (PBSA) has been increasing year on year. There are blocks going up left, right and centre in Lancaster alone, which is great for regenerating certain areas and reusing dilapidated buildings, but not so great for some HMO landlords.

The extra capacity created is going to mean that some HMO landlords will suffer. We expect the ones to suffer will be those that are low quality, in the wrong locations, or those who have been driven by financial gain and are cramming people in when there isn't the space.

"Our tenants want a home from home"

We don't consider the blocks as a threat to our business, as our offering is different. PBSA is good for first years who don't know anyone and want to get used to being away from home, as well as foreign students. But the high-end ones are still fundamentally institutional, and the rooms are quite small. In our experience, second and third years don't want to be in this kind of accommodation. They prefer to have a house with a big bedroom, a garden, and great communal space. They want somewhere that feels more like home, and we provide that. We get a lot of excitement when people look around our houses and see the space they will live in and call 'home'. They imagine themselves having parties in it and using the outdoor space to study and socialise.

PBSA blocks are expensive too, some starting at £150 and going up to £230 a week. They are single-handedly raising the average price level significantly, which actually helps us because our most expensive rooms are £130 a week, and that's for a large room with an en-suite. We provide a nicer 'home from home' for our target audience and we are cheaper. So there's no competition really.

Our price point is competitive and makes us a good return, so we don't need to match their prices. We are conscious of the market and what people can spend, and we know that financial pressures are something real for students and we don't want to exacerbate that.

DESIGN IS IN OUR BLOOD

We are very much about the design. It's in our blood. We always approach each property by thinking about how we would like to live in it, the experience and how the spaces make us feel.

Over the years we have noticed that students like to personalise their bedrooms, so bedrooms are usually designed to be quite simple, painted in muted tones with well-designed furniture. This way they have an environment where they can focus on their studies and get good grades because, at the end of the day, that's really why they're there. And they can add their personality, if they wish.

Tenants don't tend to personalise the hall, lounge or kitchen, so the communal areas are where we focus on making a real design statement. We want the students to be proud of their home, to appreciate it and want to show it off to their friends. We follow a few interior designers on Pinterest and Instagram and we get some great ideas, like the neon green fireplace. It's a really good place to get inspiration and it seems to go down well with the tenants.

PLANNING THE REFURBISHMENT

When planning the refurbishment, we use our knowledge of design and architecture to full effect and we always produce detailed drawings. We consider all the details, as far as the location and height of every plug socket (considering plugs above desks, bedside tables, chest of drawers etc), and the location of all the lights and spotlights. Everything is planned and we always know what furniture will be going in so we can plan accordingly. We like to put USB points in all the bedrooms, so tenants can charge their phone at night. It's the little things like this that really make a difference to the end user and how they will live in the property.

There's always something that catches you out though, and there's always room for improvement. Property is a learning process, and we'll obviously continue to learn with each and every project we do.

WORKING TO OUR STRENGTHS

We're very fortunate because we work very well together. We back up each other's strengths and weaknesses and whilst there's plenty of debate and discussion about various points, fundamentally, we are always of the same mind in terms of the end goal, so there are never any lasting differences of opinion.

Philippa takes the lead on anything design-related, including sourcing the right properties, the architectural and interior design and the ongoing management of the properties. Tom is responsible for the operations, project management and finance. We work with trusted professional advisors, mortgage brokers, accountants and solicitors. And we work with a fantastic architectural technician, who produces all our drawings for us. We sketch things out quickly for him and he adds all the detail. He's very experienced and works really fast, which saves us a lot of time.

We've also recently started working with a virtual assistant. She's UK-based and has hit the ground running. She already works with other student accommodation businesses, and she's been a PA to all sorts of public companies, so is very highly qualified. At the moment she does a few hours a week, helping out with background research and administrative things, which takes a load off our plates. The plan is to give her more bookkeeping and accounting responsibility as time goes on.

AN EXCITING YEAR AHEAD

This year is going to be an exciting one for us. Tom handed in his notice about a month ago, so by the time this goes to print he will be in the business full time. YAY! So things are going to change drastically for us. We're going to seriously ramp things up with the business and are currently progressing joint venture opportunities as well as providing a solution for investors whereby we source, refurbish and manage student HMOs for them. We have a strong brand and we pride ourselves on providing a great service to our tenants so we want to be able to help more investors do the same.

We're also interested in diversifying at some point, and are looking into serviced accommodation, so we'll probably spend 80% of our time on the core business, and 20% being opportunistic and seeing what else is available.

The other biggest change will be that we'll also get some of our life back. Working only one job each will mean we can work during work hours rather than in the evenings. We're really looking forward to that. Although, we'll probably still work some evenings, as that's just how it goes in this industry isn't it?

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Click here to listen to the full interview with Philippa & Tom

SSAS Property Pension set up in 24 hours!

Gareth Bertram, Director at The Landlord's Pension

Property & Pension Investment

Ignore everything you've been told about the time it takes to set up a SSAS because The Landlord's Pension are getting them registered in record breaking time.

YPN caught up with the UK's number 1 SSAS broker to hear about how the time it takes to get a SSAS set up and fully registered has now been reduced to just 24 hours.

Director Gareth Bertram said: "We work with many SSAS providers throughout the UK and since March 2019, we have been able to get new SSAS property pensions set up and registered with HMRC in under 24 hours. It's probably useful for YPN readers to understand that a pension scheme is only lawful if it is registered with HMRC and therefore ultimately, it is HMRC who control the set-up times. What is very noticeable is that HMRC appear to be processing applications quicker for some SSAS providers than others. One would have to assume that this is down to the quality of the applications they are receiving. As an independent SSAS broker we get a clear view of how registrations are progressing at different speeds, with different SSAS providers. We've been seeing the HMRC registration times fall since around September when they peaked at about 12 weeks for some providers. Incredibly it now takes us longer to set up a pension bank account to transfer old pension funds into, than to set up a SSAS! As part of our service we ensure that everything is completed accurately for our clients when applying for a new SSAS. We never see applications rejected or returned. This adds significantly to the speed at which we can get a SSAS arranged for a new client." YPN readers will be pleased to hear this given the potential use of pension funds in a property business.

As Gareth explains: "This is great news because property investors can now invest in property using their old pensions faster. Some people may have been put off in the past by the perceived cost but some SSAS pension providers charge as little as £500 per year for a SSAS pension. For property investors there is no reason to have any other type of pension other than a SSAS Pension. You can transfer in old pensions or make new contributions and you get all the same tax benefits as a normal pension. However, the key additional benefit is that you can invest in property with a SSAS pension."

'The UK's number 1 SSAS pension broker'

Google
Verified Reviews
★★★★★

"We've had over 1500 enquiries since the start of 2019 which shows just how popular SSAS pensions are becoming. The faster set up times are a real pressure relief for us and will make our 5-star rated administration team even more efficient (visit Google ratings). Our head of SSAS administration and processing, Teresa Quinton, is delighted that she can now deliver an even faster service to new clients.

YPN says: The Landlord's Pension has a team of Senior SSAS consultants operating throughout the UK. Get in touch online or by phone to see if they can help with your property investment plans.

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THE MANUAL WORKER MARKET:
ROBUST PROPERTIES FOR A ROBUST BUSINESS MODEL

"People are just as important as profits"

Interview & words: **Raj Beri**

From a standing start, **Richard and Gemma Purseglove** have built a personal property portfolio and manage over 200 units. Keeping to a tight geographical area, they have developed a unique blue-collar HMO model where people are just as important as profits. In this interview, they share their journey and provide insights on how their model has evolved.

YPN: Before you got started in property, what did you do?

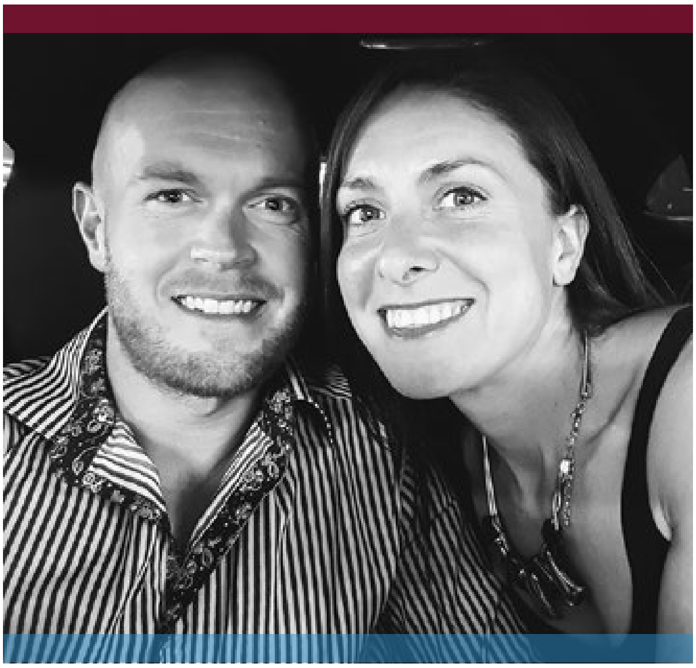
Richard: Since I can remember, all I've ever wanted was to be involved in aviation, and so I become a commercial pilot. The training costs were significant, but I achieved this in 2007. However, the timing was unfortunate because shortly after starting work, the company offered me voluntary redundancy due to the recession. I initially declined hoping things would improve but they didn't, so I eventually took redundancy in 2013.

Gemma: To be honest, when I left school, I had no aspirations or ambitions other than being a mum and having a family. I had jobs working in supermarkets, nursing homes etc, until I had my first child and then I did part-time jobs in the care sector. I really enjoyed these roles, as I was able to help and care for people, a characteristic that has continued to serve me well in the property business.

YPN: How did the property business come about?

Richard: I had always planned to do something in property later in life but the redundancy forced us to consider it much sooner. The initial plan was to follow the traditional route, ie buy, refurbish and rent out small terraced houses. However, I needed £1,000pm just to service a loan I had for the flying training, and single let properties couldn't deliver that. We heard about HMOs and the potential for increased cashflow and became immediately interested.

The decision to do some property training was a difficult one. Although I had some savings, I still owed quite a lot to the bank so it was a case of either paying the debt or using our savings to invest in education and try to fast track our property success. It was touch and go and a huge decision, but I enrolled on the Property Mastermind programme.



ADOPTING THE BLUE-COLLAR HMO STRATEGY

YPN: How did the decision to make HMOs your primary strategy come about?

Richard: I became frustrated on the course because I wanted to take action but to minimise risk, I also wanted to gain enough knowledge first. So it was six to eight months before I really got going with HMOs. An additional challenge was that most people talked about student HMOs or professional HMOs, but neither model would suit my area of blue-collar workers (manual labourers). As we had two small children, we wanted to stay local and you (Raj) suggested that I speak to someone who successfully operated blue-collar HMOs and put me in touch with Kim Stones in Doncaster, who proved to be the real catalyst.

YPN: What process did you undertake to assess the blue-collar HMO market in your area and how did that lead to your first deal?

Richard: We knew that our locality had a lot of manual labour work mainly because it's an ex-coal mining area and because it's centrally located, which makes it popular for distribution. Spending some time with Kim Stones increased my confidence significantly. I secured my first deal using all the knowledge I had gained on the training programme. The property was going to auction but we managed to build rapport with the owner and secured it pre-auction.

As we couldn't get a mortgage, we approached someone for a JV to purchase an existing seven-bedroom HMO which was in a very poor condition. We ended up with the keys and a tenant who was moving in on the same day – to say we were in at the deep end is an understatement! In the first few months of owning the HMO, we learnt so much about property management and our tenant demographic. As the turnover was high, we ideally wanted to outsource the management and focus on further investments. However, we just couldn't find an agent who would offer our level of the level of service, so we self-managed.

YPN: Tell us more about your HMO model/ market and its challenges.

Richard: The majority of our tenants are single men in the 25-45 year old bracket and most are Eastern European. Our tenants don't need high-end rooms – they are happy with basic rooms in a clean property in the right location. They work long hours and are looking for somewhere comfortable to call home but don't need boutique rooms. We have seen a rise in single working men with relationship breakdowns and they are also happy to rent decent rooms at an affordable price. The average price is £90-£95 per week for a decent double room – en-suites will attract a small premium and rent quicker.

Gemma: The biggest challenges in our sector are managing the relationships within the houses. They're all doing similar jobs, but they're from different countries/cultures and have differing personalities. Managing this mixture and managing prejudices, racism, homophobia, etc are constant challenges. With increasing expertise, we have put systems into place to ensure harmonious households by focusing on people. Although affordability is important, we spend quite a bit of time trying to get to know tenants to assess their suitability for the house. We operate a zero-tolerance policy regarding prejudice, etc, but we're still learning because people will be people!

We maintain a very good relationship with our tenants and this is helped by having helpers on hand, eg we have some Polish, Slovakian and Bulgarian native speakers to assist us with checkins and translations. If required, we also ask our trusted current tenants for feedback on the suitability of particular applicants. One cannot be openly discriminatory but some situations aren't in anyone's best interest.

DEVELOPING THE BUSINESS

YPN: How did you end up sourcing and managing HMOs for other people and what does your management business entail?

Richard: Our JV partner said: *"Could you repeat what you've just done for yourselves and set up an HMO for me and I'll pay you a fee to do it?"* So we ended up growing a business where we sourced, refurbished and then managed HMOs for other investors. This extended to investors who just wanted the refurbishment/management service or just the management service. HMO management has been at the core of our business for a few years now but we are in a unique position in that we also advise on finding and stacking deals and refurbishments. We currently manage around 200 units with 95% of our business being HMO rooms.

Our management style is different to a standard letting agent but the processes are similar. We market the property across all portals, although most of our enquiries come via Facebook and word of mouth. Over the years we've built an enviable reputation, so when a room is available it often gets let very quickly.

At the viewing, we'll be assessing tenant suitability as this is a crucial part of our model – we're looking to see if they will be a good fit for the house. We get a lot of information by asking questions and this is a core part of our vetting process. The next stage is an online application followed by referencing, after which we can organise the move-in date once all the paperwork is completed online. We'll provide support and help throughout this process if needed. This often happens when we're explaining the tenancy agreement and their English is poor – we will get help from people who speak their language, because understanding the tenancy agreement before signing is important.

All information is sent to the tenant prior to move-in, so they have ample time to ask questions and seek help if required. The tenants are advised that they are signing a six-month contract and will be liable for rent even if they move out earlier. If this arises, we have some flexibility to help them find a replacement tenant.

YPN: What IT systems have you implemented to help streamline the business?

Richard: We're continually automating the business so that we can focus on the personal touch towards the tenants. We use Xero for the accounts, which are linked into the management software, and we have integrations with programmes like IFTTT (If This Then That) and Zapier. These applications allow us to link various apps and create rules so that automated outcomes in different applications can be created. For example, when a tenant's application is accepted, a click of a button will automatically create folders, put documents into folders and create checklists – these sorts of systems create consistency and minimise admin error. The speed of our referencing partners combined with bespoke IT systems means that applications can be processed extremely quickly.

REGULATIONS

YPN: What sort of properties work in your area and how are recent HMO regulations affecting your model?

Richard: Investors want more rooms per property to maximise profits, but tenants prefer fewer rooms in a property – the sweet spot appears to be four- to six-bedroom HMOs, but it is difficult to find such properties in the local area. The local authorities prefer

CASE STUDY 1
CLIFTON PLACE, MANSFIELD

This was our first ever deal. It was a poor condition seven-bed HMO and the owner did not want to go to the expense of bringing it up to standard in order to renew the HMO licence. We refurbished it and it's still a seven-bed HMO. The net figure below includes management and finance costs.

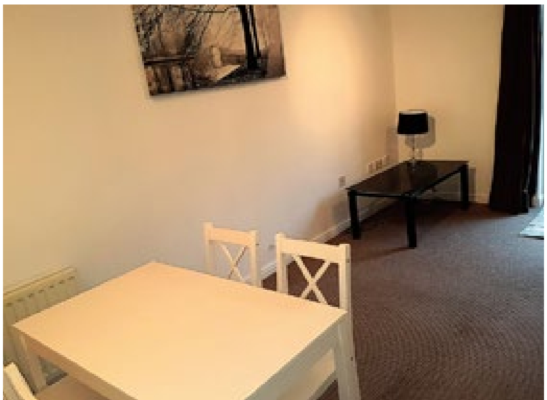
Purchase price:	**£69,000**
Renovation:	**£32,000**
Furnishing:	**£3,000**
Buying costs:	**£2,750**
Planning costs:	**£0**
Cash in:	**£106,750**
End valuation:	**£160,000**
75% LTV release	**£120,000**
Cash left in:	**£0**
Gross rent pm:	**£2,578**
Net rent pm:	**£1,175**

CASE STUDY 2

HARRIERS GROVE, SUTTON-IN-ASHFIELD

This property required minimal works to convert it into an HMO. It only needed locks on the bedroom doors, upgraded fire system and furnishing. It was turned around by us in a few weeks. The net rent figures below are inclusive of management and finance costs.

Purchase price:	**£103,000**
Renovation:	**£510**
Furnishing:	**£4,675**
Buying costs (Ltd company):	**£3,590**
Planning costs:	**£0**
Cash in:	**£111,775**
Estimated end valuation:	**£120,000**
75% LTV release (based on £120,000):	**£90,000**
Cash left in:	**£21,775**
Gross rent pm:	**£1,473**
Net rent pm:	**£532**
ROI:	**29%**



a minimum room size of 10sqm with a communal living room at the expense of an en-suite and this is the type of living space our tenants prefer. Investors have a misconception that Eastern European tenants just go to work and then return to their room in the HMO. Actually, they're very sociable people who will cook together and socialise together, despite being different nationalities, partly because they have no local family or friends.

In terms of regulations, the biggest change has been the recent introduction of mandatory licensing of all HMOs with five or more people regardless of the number of floors. Our area has a lot of four-bedroom HMOs but if a couple occupies one of the rooms, this HMO will now need a licence. The couple will have to move out or the landlord will be operating illegally. To eliminate any overcrowding in our HMOs, we operate tight management systems. We also work with government organisations like Gangmasters and Labour Abuse Authority who monitor people trafficking and people exploitation. Quite often the tenants are happy to live in poor conditions because they have come from something infinitely worse. The increasing HMO regulations will force non-complaint landlords to exit the market, so I believe that demand will continue to increase and tenants will enjoy better quality accommodation.

YPN: What are the plans for your own business?

Richard: We've grown organically but like all businesses in the growth phase, we're facing many challenges but are trying to overcome them with minimum effect on our clients. We've set up to be a scalable business so we will continue to explore new markets and new models of management, eg single lets. We have an excellent relationship with our local councils, as we want to be in a position to work positively with them to give back to the local community and help solve bigger problems than just provide rooms.

We're constantly optimising the business and outsourcing as much as we can, but because we operate at such a personal level, Gemma's phone is always available, within reason. As the majority of our tenants don't have family or friends, they'll often reach out to Gemma for help. Out of hours calls should only be for emergencies but one Sunday, Gemma got a call from someone who was worried because they *"had a lump on their arm!"* It's time-consuming but shows a lot of trust, plus gives us an insight to when tenants may be off work, etc. This is another reflection of our focus on care.

RICHARD AND GEMMA'S TIPS FOR THE BLUE-COLLAR MARKET

1. Get to know your investment area by reaching out to local investors or by visiting the area. Get to know tenant demographics so you understand your market. If you set up HMOs in towns with little employment nearby, few facilities, eg bars and restaurants, and precious little to do, then don't be surprised by your less-than-favourable results.
2. Set-up HMOs that are fit for purpose. This includes location and level of refurbishment – focus on the practical aspects of the building rather than what looks nice on Facebook.
3. Use good contractors and create robust HMOs as these properties will have more wear and tear.
4. Work with a good HMO management agent who knows the business inside out.
5. Keep yourself motivated. We both read and I listen to a lot of audio. Our break time is regularly going to the gym and a chance to switch off from the day-to-day stresses.
6. Get satisfaction from what you're doing – in our case we're helping people start new lives or move to the next stage of their lives and these are our ultimate payoffs.

GET IN TOUCH

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Email: **richard@purseglove.co.uk**
Office: **01623 460830**

Click here to listen to the full interview with Richard & Gemma

THE LHA SECTOR
PROFITABLE – BUT AT WHAT COST?

In this article, experienced investor Richard Jones explains why and how he delved into a market where HMO rooms are let to people claiming welfare benefits (LHA tenants). He outlines the challenges of dealing with this tenant demographic, explains why he is now exiting the market due to challenges with the new welfare benefit system of Universal Credit and provides advice for anyone still brave enough to embark on this demanding model.

EVEN VETERAN INVESTORS ARE FRUSTRATED ...

Interview & words: **Raj Beri**

YPN: Tell the readers about your experience and expertise in property.

Richard: I have been investing in property for over 30 years and shared some of my experiences in the pages of YPN before. My intentions in property have always been two-fold: 1) to build generational wealth and create a legacy to be passed down through the generations and 2) to provide a good life in the here and now for my family.

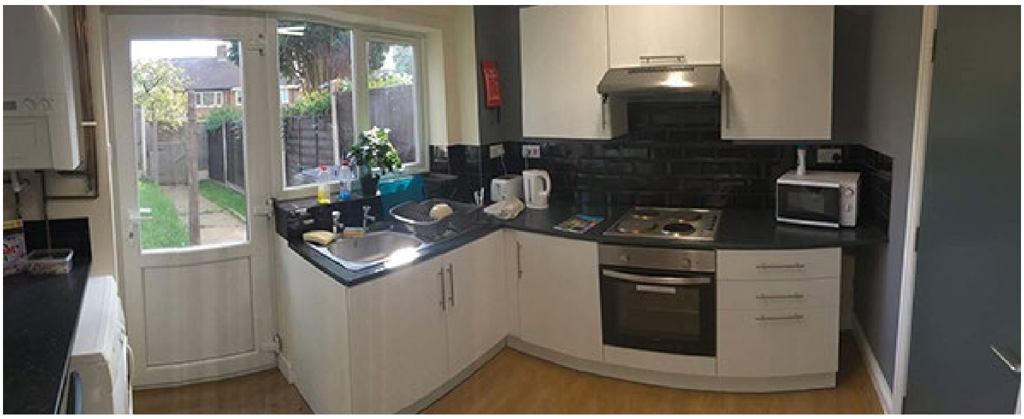
My property portfolio is broad and covers houses, blocks of flats, HMOs and more recently, a serviced accommodation business. Operating with a property investor's mindset, it's always been clear to me that the most important activities when holding property are the day-to-day management for the long term. With this in mind, I also founded a lettings business to manage my own portfolio and to offer a property management service to other like-minded investors operating in the locality.

We also purchased Chatterley House – a hotel/bar/restaurant – five years ago and did a commercial to residential conversion to create our forever home (this project was previously featured in YPN Magazine). With a sustainable property portfolio and a business in place to manage it, we have also recently diversified into property flips as well as refurbishing/appraising various other projects with a business partner.

YPN: Could you describe your experience of dealing with benefit tenants?

Richard: To be a successful professional investor in my area and in order to consistently let property and achieve near 100% occupancy, we have developed rental models and procedures which display no prejudices. Consequently, over the many, many years that we have been renting properties, we have learnt to deal with any tenant group that has approached us. One of these groups are tenants in receipt of benefits and I have been dealing with this group for nearly 30 years. As a landlord, I have lived through a multitude of government changes including DSS, HB, LHA and more recently Universal Credit (UC). All successive government schemes have subtle differences but they all involve tenants (claimants) who require financial assistance to meet their rental payment.

I don't classify myself as an HMO landlord or one who deals exclusively with tenants in receipt of benefits, but my staff and myself have set up systems to deal with this sector. One of our key achievements has been to undergo verification framework training with local authorities and we hold service level agreements with local councils. What this means in practice is that to help tenants with housing benefit claims, we can submit their claims from our office using an official council stamp. This has significantly streamlined and speeded up the claims



CASE STUDY 1

Purchase price:	**£76,000**
Refurb:	**£10,000**
Rent pcm:	**£1,200****
Costs/utilities pcm:	**£300**
Final value, generally based on bricks and mortar value:	**£95,000**

** Rented as single lets, the rental would be £495 pcm.

process because tenants no longer have to visit the council – we are one of the few agencies able to undertake this procedure. However, today we deal with a fraction of tenants on benefits compared to three years ago due to changes in the benefits system to UC and the ability of tenants to easily make claims.

YPN: How and why did you embark on investing in HMOs?

Richard: I would more accurately describe my HMO investing as accidental. As I've mentioned, my belief is that holding for the long term creates wealth through property. This requires a certain degree of risk management, which is a challenge I am happy with. We have a diverse portfolio of properties and some of these are larger homes, often with four or five bedrooms. From the outset, these houses were let to larger families in receipt of welfare benefits, as the rents achievable were far greater than for working tenants. As we were not HMO landlords, this model worked very well for some time. However, when the LHA (housing benefit) rates were cut due to the government's austerity measures, opportunities to enhance rents using other methods became more attractive. As these larger properties had been purchased in the £65,000-£100,000 price bracket, and could be converted to HMOs at a cost of £5,000-£10,000 to achieve rents of £1,500-£2,000 per month, using the HMO model seemed like a no-brainer.

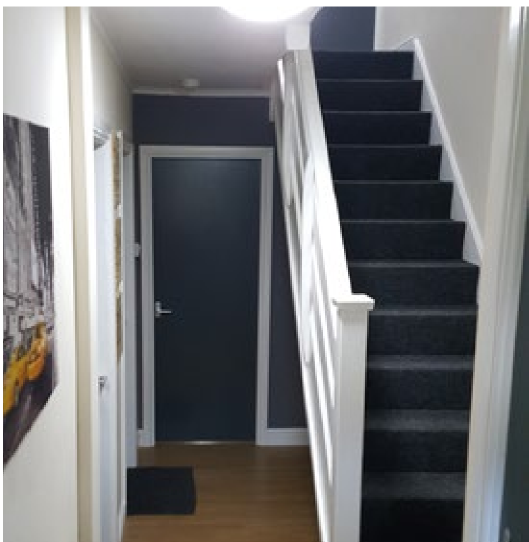
YPN: How did the LHA HMO model start?

Richard: I know my area very well and the lack of HMOs led me to two conclusions at the time: 1) either there was **no market** for HMOs in our immediate area, perhaps due to an abundance of cheap flats; or 2) there was a market but nobody had spotted it, so we needed to find which tenant group would be attracted to HMOs. We decided to undertake some research to assess which tenant type and room type that would work in the area. We started off with basic styles of rooms and those with different denominations (eg en-suite or not, tea and coffee making facilities in the room, furnished/unfurnished, feature walls, etc) to see what type of enquiries would be generated and from whom.

Initially, we advertised the rooms just through our own agency but if enquiries were slow, we also tried other platforms such as Spareroom. At the time, enquiries from working people were non-existent and the enquiries we did receive were of a poor standard compared to house/flat enquiries. In short, we trialled three groups of tenants through necessity: 1) working tenants – these were very difficult to secure, as their mindset was to rent self-contained properties such as flats; 2) foreign workers (through recruitment consultants) and 3) tenants in receipt of benefits.

Focusing on the latter group in terms of profitability, LHA tenants were just as profitable as the first and second groups. To exclude this group and target just working tenants would have meant experiencing serious voids, whilst we attempted to alter the mindset of working tenants who had a "bedsit image" of the rooms we were offering.

In terms of setting up the HMOs, we kept it to four- to five- bedrooms due to the young age of the tenants and number of bathrooms available. We also decided against providing a communal area to keep the number of visitors to a minimum and to maximise profit by using the living room as a bedroom. Wear and tear was minimised by laminating the floors in the whole house.



YPN: How did your LHA HMO model evolve and what challenges have you had to overcome?

Richard: To understand the systems at play, we can split benefit tenants into two distinct categories: LHA tenants (pre-UC) and UC tenants (ie, those who have moved onto UC). As tenants on benefits were in abundance, we decided to focus on this market for the HMOs although running this type of accommodation for benefit tenants, some with dependency issues, was very labour intensive. As explained earlier, getting the rent and getting it paid directly into our client account was fairly straightforward as we had the infrastructure in place. However, the management of these HMOs was very labour intensive, with higher bills, more maintenance and more social issues. On top of all that, vacating tenants often left the rooms in a poor condition although we were able to turn these around quite quickly.

The real challenges started with changes to the welfare benefit system, ie switchover to UC, with constant problems with rents received. As an experienced operator in this sector for many years, I must emphasise that each time the benefits system changes, there are common elements that the government attempts to change with massive short-term consequences for landlords as well as tenants. One of these is the ability for a landlord to get rent (housing benefit) directly and bypass the tenant. I have seen this happen first hand when the system for tenants in the private rented sector (PRS) changed from housing benefit to local housing allowance (LHA), and direct payment to landlords stopped overnight. The government soon saw the error of its ways and did a U-turn on this policy. Sadly, the same thing has happened with the transition from local housing allowance to UC! This has caused well-publicised issues in the PRS as a whole.

What it has meant for us is that even the most accomplished tenants, who were quite capable of dealing with the LHA system, were now going without money under the new UC system.

On a few occasions I have found myself going through the food cupboards at home to make up food parcels (plus a small amount of money for bread/milk, etc) to give to tenants who were left with no money to buy food, let alone pay rent!

In the 30 years I have been dealing with tenants, I have never experienced this level of hardship and it is a very disheartening thing for my staff and myself to have to witness.

YPN: What is the future of this model and perhaps the LHA sector as a whole under Universal Credit?

Richard: It's worth reminding readers that single people were the guinea pigs of the new UC system and it's single people that live in HMOs! It was clear that the welfare system was letting the tenants down, so from a moral and financial standpoint, we decided to exit the market and wait for the UC system to become more workable. So, what do we do about our HMO portfolio? Our decision has been to lease a few of these HMOs to social housing providers on three-year guaranteed rents, where they will cover all bills, maintenance and any evictions. Although we will secure lower rents, this shift will give us some breathing space whilst the UC system improves, or perhaps the market for working people matures in our area for this type of accommodation.

It's also worth pointing out that the UC claims system has improved and more financial help has been made available by the government. However, the LHA rates have been frozen for some time whilst market rents have risen significantly, so much of the accommodation on offer is out of reach for these tenants and renting to working tenants is a better option if your own area has the demand.

HMOs have been popular for a few years now and a few operators have moved into our area to try this model. However, they are struggling with occupancy in trying to secure working tenants, resulting in rooms being made available at extremely low rents. Some investors have even gone full circle, ie they have purchased and set up HMOs, felt the pain and exited again, often via auction. In many areas of the UK, demand for HMO rooms is very high but it's clear that as saturation kicks in, this is not the case everwhere.

The future of the LHA HMO market totally relies on the ability of the tenants to cope with the benefits application process and achieve enough in the housing element part of their benefits claim to meet market rents in their area. Combining benefit tenants with renting rooms must be the most challenging mix of tenant group and accommodation type in the UK today and no investor should enter this arena lightly!

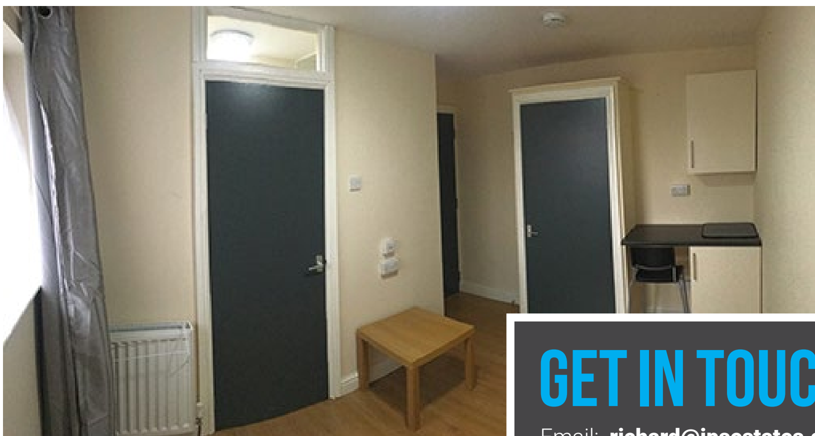
YPN: Would you advise other investors to consider LHA HMOs?

Richard: Make no mistake, LHA HMOs are the most challenging property management strategy combined with the most challenging tenant type, so is a very tough strategy for beginners and experienced investors alike. I would suggest that this mix should be the last resort and other tenant types should be considered. If you still want to consider this strategy, be prepared to be more hands-on than normal, and ensure you have plenty of time! If tenants have dependencies (eg, drugs, alcohol), this is best left to the professionals as tenant needs can be complex. One option to consider is to create longer-term management agreements with a social housing provider with a guaranteed rent.

CASE STUDY 2

Purchase price:	**£60,000**
Refurb:	**£7,000**
Rent pcm:	**£1,200****
Costs/utilities pcm:	**£300**
Final value, generally based on bricks and mortar value:	**£85,000**

** Rented as single lets, the rental would be £495 pcm.



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Email: **richard@ipsestates.com**

YOUNG PROFESSIONALS
HOUSES TO MATCH LIFESTYLES

GETTING THE MODEL RIGHT IN A COMPETITIVE MARKET

Interview & words: **Angharad Owen**

Paul Lanfear and his wife, Liz, own a property company and brand called Property Angels. They are based in Leeds and offer boutique property for busy professionals. The "Angels" in the brand name represents the two most important people in his life, his wife and daughter. He wants to be able to look after them, both now and in the future.

BACKGROUND

Originally a lawyer, Paul practised commercial litigation for ten years in Leeds, London and various jurisdictions around the world. But when his daughter was born, he no longer wanted to work the long hours. He left legal practice to set up to lead a qualification programme and train prospective barristers in civil litigation.

But their property business didn't start there. It goes back further. In the year 2000, before the crash, Liz had built a portfolio of HMOs and house shares. She worked alone and learned how to recycle her deposit. However after the crash, she no longer wanted to continue.

When their daughter was old enough and more independent, Liz was keen to get back into the property industry. She didn't enjoy the business side, so she asked Paul if he would help her with that aspect so she could focus on the actual properties.

Paul didn't understand property at first. It wasn't until he started attending property meetings that he grasped the bigger purpose of property investing.

Liz had started with student houses. But after one group of tenants threw an end-of-year beach party in one of their properties – including several inches of builders' sand and palm trees – they decided enough was enough.

WHY SWITCH?

Since the infamous beach party, they have now repurposed the portfolio to focus on only letting to the professional market. Although this clientele often appears to be the holy grail of HMO tenants, it hasn't been without its challenges.

The secondary reason as to why they decided to exclusively cater to the young professional market was because it was what they knew. Liz had worked as a chartered librarian in a university, often working with post-graduates. And through Paul's background in training young barristers, together they grasped an understanding of what their clients wanted.

Also, both had lived in house shares in their youth. Paul had spent ten years living with housemates, both in Yorkshire and London. Liz, however, had purchased her property and then rented out her spare rooms.

WHO ARE THE CLIENTS?

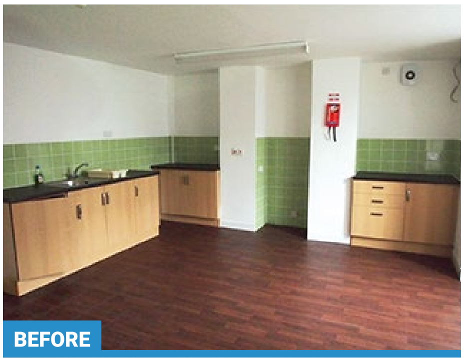
Most their clients are between the ages of 21 and 35. They are often new to Leeds, having relocated due to a job or having just graduated from university. Tenants' jobs range from Monday-to-Friday contractors, to doctors and solicitors in training.

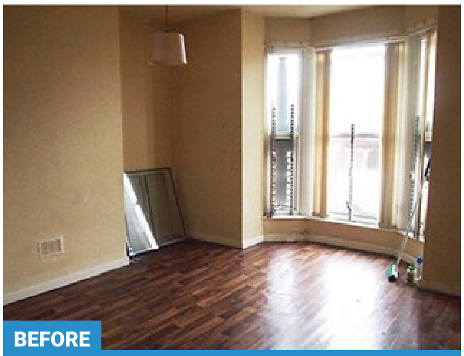
When a prospective tenant is going to move in, Property Angels look at what that person's needs and interests are and where they work, so they can understand what they are looking for. They aim to place everyone in a house that will match their lifestyle, so they are surrounded by like-minded people.

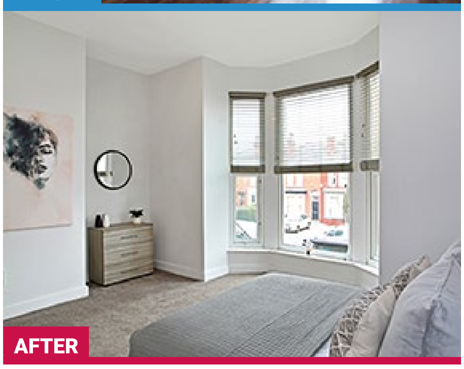
They have houses to match everyone's way of life. From smaller three-bed properties in a lively and trendy part of Leeds, where many of the 20-somethings prefer to live, through the middle-ground, traditional six-bed HMOs and then on to luxurious en-suite properties in sophisticated areas of Leeds, where there is a slightly quieter and slower vibe.

While all models are successful in Leeds, Paul has also witnessed all models fail. Around half of their acquired HMOs were originally ones that had failed. There is a huge oversupply of rooms in Leeds, and it's not a case of them not being up to standard. It is usually down to the managers not having found the right process, system or knowledge to get them to work.

> "It's naïve to think that the HMO model is not at a point of maturity, and in many markets, saturation."







Paul urges people to remember that there is value to competition because it makes everybody raise their game. Experience is a huge contributor to success, and together, Paul and Liz have experienced some challenges, including the beach party, accidently housing a brothel and even deaths in the properties, to name a few.

Alongside Property Angels, Paul and Liz had grown property management business that, at its peak, had 230 young professional rooms. In their own portfolio, they have approximately 100 rooms.

Their tenants tend to stay from six months to several years. It varies depending on the house, the location and the client. In a six-bed HMO in the trendy part of Leeds, they will usually stay for only six to 18 months. But from one extreme to another, they have a house full of doctors that tends to look after itself. If one moves out, one of their friends or colleagues will move in immediately.

The big challenge they face is two housemates falling in love. *"If we ever get two notices at the same time, we can pretty much guarantee that's the reason. They have fallen madly in love with each other and now they want their own place."*

THE IMPORTANCE OF WELLBEING

Paul believes that one of the things that is overlooked are the challenges young people currently face. The young professional market isn't a client base whose lives are perfect. Although they are well-educated, reasonably affluent and in relatively good health, they do have tough times.

The incident that sparked the importance of wellbeing for Paul was when a very successful former legal client of his had received his dream job. He was on a very good salary, and it looked like everything had been going well for him. But only a few years down the line, he took his own life.

Paul was shocked, and although it was a unique set of circumstances, he is very sensitive to the fact that his tenants are human beings facing a range of daily challenges in life, just like everyone else. They absolutely are not just a source of revenue. *"We need to be mindful of their mental health and of the consequences of mental health."*

Although the main purpose of their business is to provide boutique property for busy professionals, there is an underlying theme to contribute to their wellbeing. Paul wants the business to have an awareness and sensitivity to these problems so that they can be part of the solution.

And this core mission of promoting wellbeing includes everyone who comes into contact with the business, whether it be clients, contractors, the team at the property management company and even investors. Liz is a qualified mental health first aider, which means that she can recognise symptoms, and can direct people to the relevant support they may need.

They bear the importance of healthy wellbeing in mind when creating and designing living spaces. Obviously, they can only work within the structural confines of the properties, but they aim to use the space as responsibly as possible. For example, communal spaces are very important, and they never carve rooms into tiny spaces. In their latest project, bedrooms are twice the legal requirement for a double room in Leeds, and are in excess of 20sqm.

In that particular house, there was every opportunity to start moving walls and make 20 bedrooms instead of 12, and the revenue would have been significantly more too. But they made a very conscious decision at the beginning of the project, and are constantly asking themselves whether they're doing the right thing.

Their new benchmark for their properties is asking themselves whether they would be happy for their daughter to live there. *"I know that won't be well received in all parts of the property community. They say we're here just to make money."* But it has set a high standard for their properties. If you're not happy to let your children stay in your property, then why should it be suitable for other people?

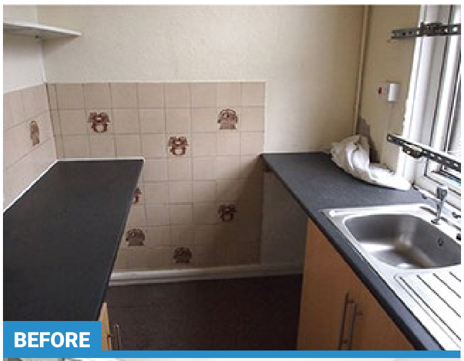
DÉCOR

Over the years, Paul and Liz have tried out various décor and colour schemes. There are some people who rightly believe that it's necessary to have incredibly boutique, bespoke and high-end interiors to be able to attract good young professional tenants. However, within the professional market, there are still several niches.

Paul has a good level of interior design. Some of their houses are funky, with the ever-popular grey walls and splashes of colours. They have some highly stylised, colourful properties as well as some more mature styling for the clients who aren't as interested in trends.

The vibe they are hoping to achieve in every property is for tenants to feel like they have made it in life. It's important to Paul that his clients feel supported, so they can spend more time focusing on their careers, relationships and personal lives. He doesn't want them to worry about not having a warm, safe and secure environment to come home to.

Every room is supplied with a double divan bed with a headboard. If possible, there is additional storage in the bed bases. Furniture packs are bought from specialist furniture companies. Starter packs are provided for each house, which includes the fundamental essential kitchenware, etc. If tenants want anything else, they need to sort it out between themselves. So far, it has worked well for Paul.

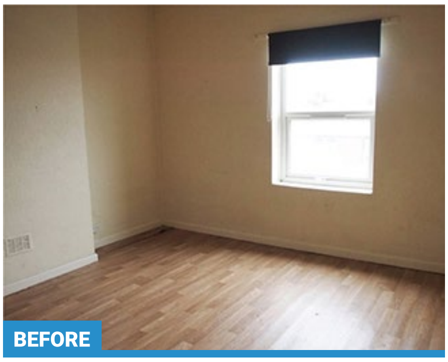


BEFORE

AFTER

NUMBERS

Purchase	**£190,000**
Refurb	**£237,436**
Furniture, finishing touches and other costs	**£31,745**
TOTAL COSTS	**£458,190**
GDV	**£620,010**
Net cash flow pm	**£2,919**



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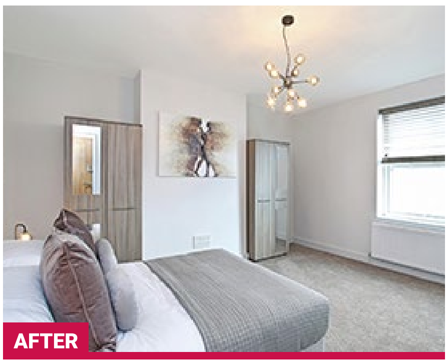


AFTER

LETTINGS

Contrary to many other HMO investors, they don't allow viewings or applications for rooms until everything has been signed off and the conversion has completed. Although it does make commercial sense to have people moving in on the day the project is finished, the former lawyer in Paul likes to see that everything is checked and working to ensure that every client is safe in their new home.

Over the years, there has been a large increase in supply of rooms in Leeds, as many student houses have been repurposed into stock for the professional market. But equally, there has been a huge escalation in quality.

In certain areas, there has been some competition in rental rates. Paul and Liz have chosen not to play that game, as it it can often result in a race to the bottom. Their rooms are fairly priced, ranging from £395 to £650 per month, and they provide an outstanding service. It's then up to the client to decide what they want.

All room rates include all bills. The rationale behind these prices can be seen when looking at what the alternative to living in an HMO would be. In Leeds, it would be to live alone in a one-bed flat.

But living alone is not best for everyone. When someone is new to a city, they are often in a reasonably vulnerable situation. They may have just started a new job, they don't know anyone or have many friends around, so moving into a one-bed can be isolating. Rents for one-beds start at £400, but with council tax, bills and services, that figure can easily creep up to £700-£800 per month.

Alongside an all-inclusive rent, they offer 24-hour emergency cover. Calling the number during office hours will get through to the property management team. But if outside of those times, they will reach the out of office service where there are systems in place to address any issues that may arise.

They have a minimum standard of occupancy of 95%, and consistently run at, or above, that number. Every landlord has to be wary of voids, and it can easily become a full-time job to keep on top of them to ensure they don't get out of control. Paul is mindful of the seasonality patterns in Leeds. For example, rooms during the winter do not sell well, whereas in spring and summer, they do.

PLANNING AND ARTICLE 4

Planning in Leeds is incredibly challenging. Most of the city is covered by Article 4 direction, removing permitted development rights. Therefore, family homes are off-limits to convert into house shares.

Article 4 is very strictly applied, to the extent that Paul has been present in a planning committee and a councillor saying that they will never approve another HMO in a certain locality.

There are areas outside of the A4 direction that investors are beginning to develop a niche in. However, the challenge with these is not knowing how these areas will sustain over the long term. Will they become saturated? Is there enough of a demand for people to want to live outside of the city centre?

With a good team, creating a fantastic house and filling it for the first time, is the easy bit. The challenge comes two or three years down the line, so it's necessary to bear the sustainability of the business in mind.

Taking a planning risk is a very significant gamble in Leeds. Many take no notice of the planning requirements, and as a result there are several illegal HMOs. If they are sold, the vendors are often clever about the wording of the sale. People purchase them thinking that planning is in place, but it usually isn't what it seems.

When Paul is purchasing a new property, he makes what he calls a considered planning risk. In the past, offers subject to planning have been often declined, and it has meant they have walked away from many good potential projects.

Property Angels
boutique property for busy professionals

STRUCTURE OF THE BUSINESS

Property Angels is divided into two halves. Paul and Liz discovered the challenges of being a husband-and-wife team very early on. They are both different people, and therefore suit different roles, and they have to be careful about the way they work together.

Liz is measured. She can work for long periods of time at a steady pace, but doesn't like to be rushed. She's a great team manager, and has excellent attention to detail. She oversees the project and property management.

Paul is fast. He talks quickly and moves quickly. He is responsible for leading the business. He creates the business plan, liaises with private investors and handles the acquisitions.

But almost everything else is outsourced. They have surrounded themselves with a team of mostly freelance people who provide different parts of the service.

They aim to be lifestyle entrepreneurs. The only reason they're in business is to have a happy, healthy and balanced life with their family. Wellbeing is such an important contributor to that, which is why it feeds through into the business. *"I describe myself as the weakest link in the business, which is what you always should be,"* he says.

> "You should always be surrounded by people better than you."

YPN SAYS

The right HMO model for you will depend on several factors, including the type of demand in the area where you operate, whether you want to be driven by location or tenant group, the level of competition and what type of properties they provide, along with your experience, skills and aptitudes.

As some of the investors featured reveal, sometimes the model is not always about squeezing every single penny out from each property. While the HMO has to make a decent profit to survive and indeed be a worthwhile return for your effort, tenant welfare and garnering a positive reputation as a landlord can be an important part of a strategy to stay in the game for the long term.

By its very nature, investing in property tends to focus on the bricks-and-mortar asset. But it pays to keep the human touch. Caring about the people who live in our HMOs will make for a far healthier portfolio and business, which in the end will make you richer in every sense!

GET IN TOUCH

If you are in or around Leeds, Paul hosts the Leeds Property Breakfast. He enjoys helping others find, or even reconnect with, their property purpose, strategic direction and get clarity on what kind of property business they want to achieve personal fulfilment.

Facebook: **Paul Lanfear**
LinkedIn: **Paul Lanfear**
Twitter: **@Paul_Lanfear**
Instagram: **@Paul_Lanf**

This article is this month's Your Property Podcast interview.

YOUR PROPERTY PODCAST

To find it, simply search Your Property Podcast in your podcast app or on Soundcloud.

AN HMO FOR TENANTS ON BENEFITS
THE HIGHS AND LOWS

By **Arsh Ellahi**

This month, in line with YPN's feature on different HMO markets, I thought it would be useful to write about my experience of the day-to-day running of HMOs filled with tenants on benefits.

As some of you may know from a cameo role on the Channel 4 programme, ***Britain's Benefit Tenants***, I am a very straight-talking landlord and investor. I have developed extremely thick rhino-style skin, and certainly do not take any prisoners.

There is a stigma attached the benefit tenant market that identifies them as being the worse client group you could ever have. Although there is some truth in this, I would also like to bring to light a lot of the benefits of housing a tenant on benefits.

Let's go through some pros and cons ...

THE PAYMENT PROCESS

Prior to the introduction of Local Housing Allowance and Universal Credit, housing tenants who were claiming state benefits was quite a lucrative business. Prior to 2008, councils would pay the rent directly to the landlord every four weeks and as a result, the rent was a very secure form of income.

In many of my properties, the rent for a room in an HMO with shared facilities would be circa £70 per week. The local authority would pay £60 towards this amount, meaning that approximately 85% of the rent was secure. The tenant would only be liable for £10 per week, which often came from the tenant's personal benefits, eg Jobseekers Allowance.

At the time, the market rent for rooms was circa £60 per week, and we were achieving 15% more. It really was a simple and effective system.

The pros ...

- **Benefit tenants had a place to live**
- **Landlords were being paid**
- **Council housing list was much shorter**

WIN – WIN – WIN

But then ...

The government went and screwed it up. In 2008, they introduced a scheme known as the Local Housing Allowance. They decided that they wanted to give unemployed people some financial independence. And what better way to start than by giving tenants the rent to see how many people could handle paying it to their landlord?

Everything I had loved about the previous benefit system had now gone straight out of the window.

In order to claim Local Housing Allowance, tenants would have to submit their personal bank details online. It was like Christmas every month for them. They would receive in excess of £400 into their account and, as a result, the local bookies and pubs were thriving.

Recent statistics show that since the introduction of LHA, and now Universal Credit, rent arrears have increased by 63%.

I currently use a service called Tasker Payment Services (**www.taskerpaymentservices.co.uk**), which is a nationwide credit union-style service. The tenant has to open an account online and all the housing benefit portion is paid to us within seconds of reaching the account.

LONGEVITY OF TENANCY

One of the massive benefits of housing tenants on benefits is the fact that if you choose them right and treat them as you would any other person, they will become a tenant for life. Now just to clarify, I believe there are three kinds of benefits tenants:

- **Can't work**
- **Will occasionally work/temp work**
- **Won't work**

I have had tenants who have been with me for more than 20 years in the same property, and then I have also had tenants who have been with me for one month and absconded.

The key to any successful HMO in any tenant market is tenant selection. Asking simple questions such as:

- **Who are they?**
- **Where are they living now?**
- **Why they are moving?**

It seems simple, but understanding a little about the person and their background will give you an indication of the life they live and how your property will be treated.

Tenants on benefits are slightly trickier. A lot of the people I meet are homeless or of no fixed abode. Unlike working professional tenants, they may not have:

- **Deposits**
- **Rent in advance**
- **Guarantors**
- **References**

I have to work on a gut feeling. I try to understand why they are moving and how they have ended up in their current position. For example, a homeless tenant may have become homeless for one of two reasons:

- **Not conducting their tenancy at their previous property in the correct manner. This could mean rent arrears, anti-social behaviour, drug use, or even the association of unwanted guests.**
- **The previous landlord not fulfilling their obligations, ie providing hot water and heating. I have met many tenants who have lived in sub-standard accommodation because the landlord refused to invest in the property, which then naturally deteriorates in condition.**

The benefit tenant market is one of two extremes: tenants who are grateful for their property, keep it clean and maintain a good tenancy; and those who believe the world owes them a favour, and the property is simply a place where they sleep. The latter leave the property unkempt and untidy and host many others by using it as a mini hostel. It would also be common to be called out by the police in the early hours of the morning to let them into the property before they break the door down.

Over the past 20 years, I have experienced both types of tenants. Learning from those experiences, I have fine-tuned the business so we only attract the first type of benefit tenant. Some of my long-standing tenants have been with me since the beginning and I now consider them almost as friends.

Surprisingly, I have also found that a lot of my benefit tenants keep the property in much better condition than some of my working professional tenants.

THE PROPERTY ITSELF

I am a firm believer that a property housing benefit tenants cannot be set up the same way as if it housed working professionals. I have created an HMO model, which I believe works harmoniously.

The property does not have a communal lounge. I aim to limit the amount of contact between parties.

I have an HMO in West Bromwich which houses 23 tenants on benefits. Can you imagine 23 benefit tenants in a communal lounge? I can imagine being called out to an issue almost daily. Therefore, we remove any communal spaces. But to compensate, the rooms must be larger (circa 15 sqm) to accommodate the fact that the room will be used for living and sleeping.

Over the past few years, I have adopted the same model for the working professional HMOs. If you look at the HMO market in general, many of the HMOs have communal lounges and facilities. I have found that tenants actually like to have their own facilities, as then they don't have to deal with any issues such as other tenants leaving areas untidy.

Finally, in all my HMOs I have adopted a model different to the HMO norm: All tenants are responsible for their own energy use.

Previously, I had HMOs where the rent was all-inclusive. I found that, as benefit tenants were in their properties for longer periods of the day, the energy bills were very high. As a result, I decided to create a system where all my HMOs are fully electric. Each tenant has their own electric meter.

It is now extremely rare to find a TV on standby, as they understand that they would be paying for this. Previously, the heating would have been on full blast, TVs left on and the only person who would have paid for this would have been me.

THE KEY TO RUNNING A SUCCESSFUL BENEFIT HMO

Running HMOs can be financially rewarding but also very taxing. If not managed correctly, having benefit tenants could seriously shorten your life with worry. Here are my top tips for running a successful HMO:

1 MASTER KEY SYSTEM

One key fits all. It allows me to access all parts of the building without ever needing to look for keys. When tenants lose their keys or maintenance needs to be done, I simply open any door with the master key and save a load of time. I also gave a copy of the key to the local police station in case of an emergency. They no longer need to force a door, as they have the key and my permission to access any of my properties.

2 HEAD TENANT/ CARETAKER

The best thing I have ever done! In my 23-bed HMO, I have always had a head tenant. They live in the building and act as my eyes and ears inside. This role has evolved over the years, and they now conduct all the viewings for me. Previously, I could only accommodate a viewing between 9am and 5pm, but with the head tenant in place, they can show people around at any time. I find this works extremely well, and I have asked the current head tenant for his opinion on the prospective tenant. I value his input on how he would feel if they moved in. I generally go with his decision as it is in my best interest to ensure he stays!

I have also bought him a laptop and printer so that I can email him documents. For example, if one of the tenants' housing benefit claim has been suspended, I can email the head tenant the document, he can get the person to sign it, scan it back into the computer and email it back to me.

Some of my head tenants are trusted with collecting rents, and some even deposit into the bank for me. This has come over time as I've built trust.

I have adopted this process in all my HMOs. I find it works extremely well and all issues are reported to the head tenant who in turn reports them to me. It saves me having to communicate with lots of people, and instead only deal with one person – the head tenant.

In order to get a good head tenant, however, you have to offer some incentive. I generally give them a reduction in rent along with other incentives, such as £10 per viewing and £25 for every property they let.

3 PAPERWORK

Keep on top of it. Every now and again, you will receive notification to say that housing benefit will not be paid due to the tenant's circumstances. This could be because they missed a job interview, or have not made enough effort to find a job, etc. Some landlords leave this to the tenant to sort out and I believe this is a mistake. It can lead to a mass of arrears in rent.

My office does all the paperwork on the tenant's behalf, and we email it and post it to each tenant to know that it has been actioned. All tenants need to sign a third party authority form, which allows us to speak to the council about any part of their claim.

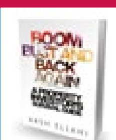
We find that this helps all parties. Generally, tenants are not great with appointments and paperwork, so the more we can assist, the better it is for them and the more likely we will get paid.

Stay on top of it and keep communicating with the tenant.

So there you have it guys, I hope you have found this article of some use. It may sound like it is a lot of hassle dealing with benefit tenants, but believe me, if you choose the right ones, it can lead to long-standing tenants. It can be rewarding too, as you have probably helped someone who other people would have turned their noses up at.

If you have a question you would like me to answer in next month's article, please email **arsh@arshellahi.com** and I'll aim to answer as many as I can over the following months.

Arsh Ellahi is the author of **"Boom, Bust and Back Again: A Property Investor's Survival Guide"**



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RANT

HELP!

I've just returned from a fantastic week's skiing in the Austrian Alps, an amazing week of snow, gluwein and dancing on tables in ski boots. But don't you find that the minute you are back, you are surrounded by a mountain of sh*t to deal with? It seems like nine months' worth of problems have saved themselves up to unleash themselves the minute you step off the plane and onto the tarmac.

A billion emails, a thousand problems and after 30 minutes back at the coal face you wonder if it was ever worth going away. All of this I could deal with if it wasn't for a mountain of paperwork and post that greets you as you force the front door open and wade through piles of unopened letters. I don't get it. In our business we very, very rarely send out any correspondence by mail. Everything is done electronically and I can't remember the last time I licked a stamp or franked an envelope.

So who is generating all this paperwork? Looking at the pile next to me it seems that between them utility companies, banks and local authorities must between them be responsible for the decimation of millions of square miles of forest.

It seems so old fashioned. Where are we meant to file all this paperwork? I don't have a massive CD or record collection, I have hundreds of books on my Kindle and a whole video and music library in my pocket on my phone. But a good four square metres of my house is dedicated to storing bits of paper I will almost certainly never look at again.

Surely it's time we went paperless. We can sign documents online, file them securely in the cloud and never have to touch another piece of paper again. I honestly don't get why some institutions seem so reluctant to embrace technology.

In an age where we can pretty much live a mobile lifestyle armed with a phone, maybe a laptop and the clothes on our back it seems that paperwork is the anchor that ties us to a location.

I hate it, I really hate it. Some people are really organised and file everything as it comes in – those people are not me. If anyone out there has a system that you use to cope (or even just to cope with the stress) of paperwork, then answers on a postcard please – I'll be sure to find the postcard sometime next March when I've finished wading through the last week's post!

RANT OVER

Ant Lyons


weather the storm with us
1st of June changes to Letting Agency fees come into force.
What does it mean to your business and the industry?
£200 million reduction in revenue forecasted.
40,000 industry employees made redundant.
40% of Letting Agencies will close their doors for good.
There could be a bright future for you.
We want to reward you for all your hard work.
We want your business - we are buying!
We are only buying one Letting Agency in each area across the UK.
For more information email
acquisition@theinsightgroup.co.uk
Or visit
www.theinsightgroup.co.uk/feechange
THE INSIGHT group

Interview & words: **Angharad Owen**

FORMER DRUG DEN

When I spoke to Saif Derzi, he was sitting outside in the beautiful Qatar sunshine, whilst I was inside shivering in my home office, as he was travelling there on business. Now if you excuse my envy while writing this article, I hope that you enjoy reading about Saif's conversion of a former drug den into three well-kept apartments for a rehousing charity.

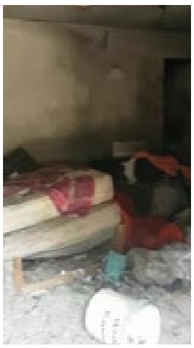
BACKGROUND

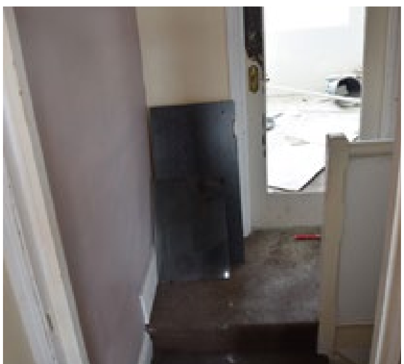
Saif began his career as a pharmacist. However, he eventually felt the work was getting repetitive, and he wanted to find a way out of the nine-to-five. The things he considered when moving into another profession was to have the freedom to travel, and to do what he wanted when he wanted, giving him the freedom of choice. Thus, he started a not-for-profit trading business in the healthcare sector. Through this, he managed to make a small amount of money.

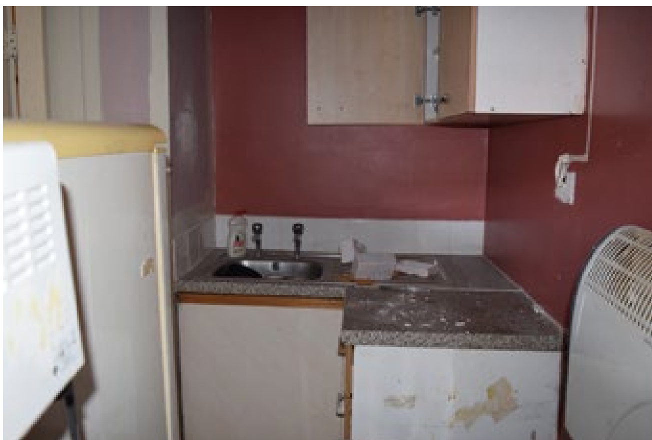
But he also wanted sustainability. He wanted his money to go further and to be able to save for the future. Although tempted to buy a sports car, along with other flashy material possessions, Saif wanted to do the wise thing for his and his family's future.

He started pondering property as an asset. It became clear to him that property was one of the best asset classes out there for three reasons; first, other people's money can be leveraged against it; second, people will always need a house to live in; third, property is a real asset. *"It's just the fact you can touch it, feel it, and know it's there,"* he explained.

He started with a small BTL and went from there.





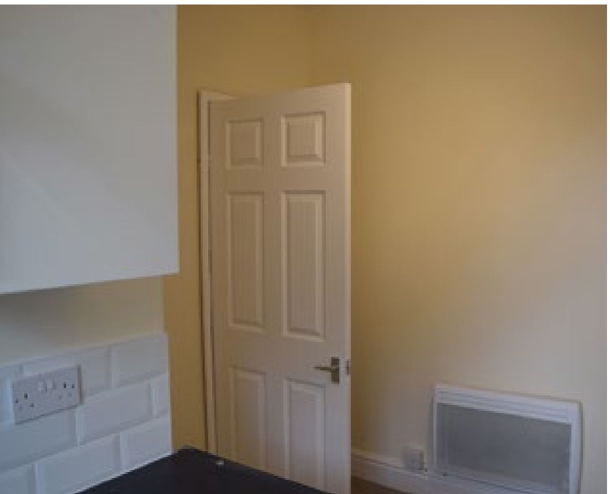


BECKETT ROAD, DONCASTER

Type of property	Terraced house split into 3 flats
Strategy for this property	Refurb and Lease out to a Social Housing Provider
Purchase price	£69,000
Open market value	£145,000
Purchase/ Acquisition costs	£3,540
Funding method	Cash
Total money in	**£72,540**
Personal money in	**£72,540**

COST OF WORKS

Duration of project	4 weeks
Total costs	**£30,000.00 for the 3 flats**



THE PROPERTY

Saif found the property we're going to be looking at this month through Rightmove. It was initially advertised as a terraced house, and was being auctioned. The low guide price of £50,000 caught his eye.

Compared to the rest of the country, that seems incredibly cheap, but for the area, £50,000 wasn't that much lower than the market value.

Upon doing some research on the property, it appeared that it had been split into three flats back in the late 1990s. Saif's prior investment property was also a terrace split into three flats, and was performing well as social housing and he already knew that his social housing provider was crying out for more accommodation.

According to Rightmove, the property had previously been bought for £145,000 in 2007, but was on the market 11 years later for nearly £100,000 lower. There had to be something in it …

One of the main things that attracted Saif to the property, and incidentally put other buyers off, was that it wasn't possible to see inside before the auction. There were a lot of problems, including the fact that it was a repossession and it wasn't possible to enter, and someone even had a prior option agreement on it.

"There were a lot of problems, and for me, that's the best type of property," Saif says. *"You can go in and figure out how big the problems are, put contingencies in place and be able to offer something sensible and get it.*

"If it's not as bad as you thought it was, then it's a bonus."

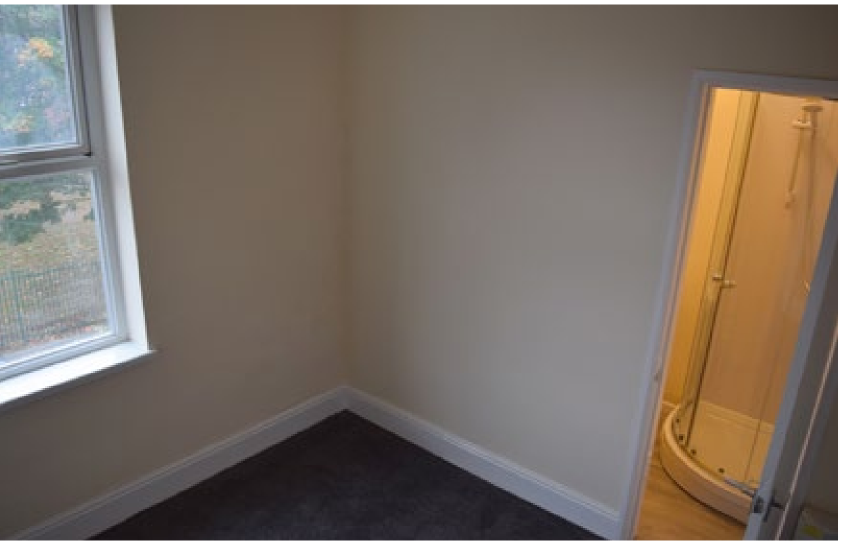
Although it wasn't possible to view inside the property before purchase, Saif did walk around the immediate area and took the opportunity to have a small look through the window. Doing so meant he wasn't bidding on the property completely blind, but he still had no idea on the general structure of the property, including the roof. To attempt to mitigate as much risk as possible, he budgeted enough money to cover a complete back-to-brick renovation.

On the day of the auction, Saif was a telephone bidder as he was in Qatar at the time. The opening price was in the mid-£30,000s and increased in £1,000 increments before being sold to Saif for £69,000.

Once the contracts were exchanged, Saif wanted to make sure that the project could go ahead. Under the agent's blessing, his builder entered the property and reported back that although it was in a bad state inside, it was still possible to complete the renovation within budget.

A bad state was potentially an understatement. The basement flat had been completely burnt out, but luckily the fire doors had done their job and had contained the fire. The building had been raided several times by the police, and the property had even been used as a brothel and a drug den.

The ground floor and first floor had metal doors installed as a repair after the police had forced entry and raided it. There were used needles everywhere, and people who had lived there even tried coming back while the works were being carried out.



THE WORKS AND COSTS

Saif had a contingency of around £50,000 for worst case scenarios. When he first walked in, he knew that the first and ground floor flats didn't need much spending on them, but he was worried about the basement flat.

The ground floor and the first floor apartments only needed clearing out and some cosmetic work, which averaged at a cost of £7,500 each. They installed new basic bathrooms and kitchens, as well as refreshing the paintwork and doing a small amount of plastering where needed.

However, the basement flat cost £15,000 to bring it back up to standard. As it was burnt out, the walls needed to be re-plastered, and everything had to be taken back to a point where it was safe again – particularly the electricity.

Looking back, he believes it looked worse than it was. The fire had been contained, and if the fire doors hadn't worked it would have been a different story. *"If the whole building was burnt out, I think we would have had a totally different budget on it."*

CHALLENGES

The previous inhabitants of the property didn't seem very happy about the fact that Saif and his team took over the property. *"All jokes aside, the biggest issue we had was when we started works and installing kitchens, they were going back into the property and we were worried they were going to ruin all the money we'd been spending on the renovation,"* Saif admits.

He wanted to understand their situation, but he also needed them to understand that he had purchased the property, and was going to be undertaking the renovation no matter what.

In the end, Saif gave them some money to rehouse them, or cover the rental deposit on alternative accommodation. When they left, his team installed a large metal door so they couldn't get back in. *"I think with these things, you've got to take a step back and not confront them."* Saif advises: *"Don't be too confrontational, and try to have good communication skills."*

Dealing with the squatters delayed the project by a couple of days, and as they were on a tight deadline, they had to move quickly to get everything finished on time.

With respect to the needles left behind, Saif's contractor had previous experience in clearing and disposing of unhygienic items. He attained some needle boxes from the local pharmacy to put everything in, and then disposed of them safely. By utilising their contractor's experience instead of hiring a specialist, they saved some money.

VALUATION & INCOME

Post-works valuation	£145,000
Re-mortgage amount	Keeping unencumbered to use as leverage for bridging loan facilities
Monthly income	£1,270
Net monthly cash flow	£1,270

WORKING TO A TIGHT DEADLINE

Saif knew quite early on that he wanted to use the property for social housing. The regional director for the social housing provider Saif worked with on his previous property said that they needed more units in the area.

As he had bought the property and got the lease with the provider in place very soon after, he ended up with a 28-day period to get the refurb completed and ready for tenants to move in.

When dealing with a tight deadline, it's important to keep on top of management before even beginning the project. Saif approached his contractor and let him know the time constraints. His contractor assured him that he could do it, even if it meant pulling his employees off other jobs to finish this one in time.

"He wasn't doing it because it was one project and he was going to make money from it. He was doing it because we have a long-term relationship." Saif says. *"He knew there'd be much more to come from this, so he was doing it to satisfy me with future projects in mind, more than anything."*

All the materials were ordered before beginning the refurbishment, which meant there wasn't going to be time wasted waiting for deliveries. The contractor started with the top two flats, which took a week, and the remaining three weeks were spent working on the basement flat.

Saif's team were very organised from the beginning. They had an agreement in place stating that they needed to adhere to the deadline, otherwise they'd be fined. *"In reality, we'll probably never go down that route, but it was just something that kept them motivated,"* Saif says.

Social housing is a niche. It's unlikely it would work for those who are chasing trends and are always working on making their properties as beautiful as possible. But Saif believes it's an area that people aren't too focused on because it's considered the ugly duckling of the industry.

Saif believes that going down this route has allowed him to be recession-proof. *"When the recession hits sooner rather than later, because it will, the government will still be paying for social housing, and people will still need to live in basic social housing,"* he says.

MANAGEMENT

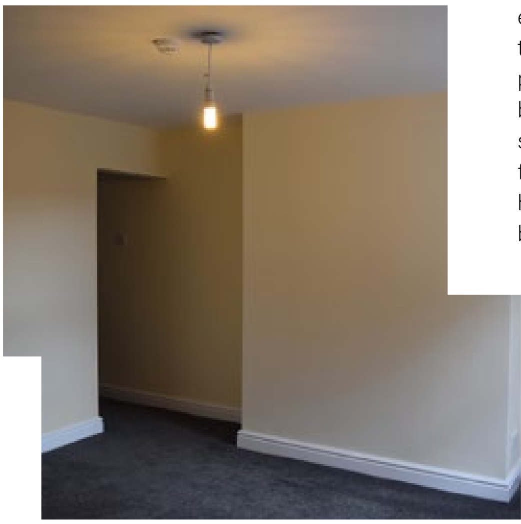
Fortunately, despite the bad reputation that social housing gets, Saif doesn't manage his properties. The provider does so as part of their agreement, and there are very little void periods. Saif only gets involved when there is a maintenance issue, and he has a handyman on a retainer who will take care of any problems that arise.

Within social housing, there are different levels. Some rent the properties directly to people on benefits or to DSS tenants. The alternative, which is what Saif does, is lease the property to an organisation for a three-year period. They then use it as if it were their own to house whomever they want.

The latter is considered the safer option. Rent is paid directly from the company, who in turn are paid from the government. Usually, the lease is renewed for a further three years. They also have an agreement in place that if/when the house is handed back, it will be in the exact same state as when they were given it, subject to fair wear and tear.

Many of the properties that are given to social housing providers are tired and outdated. Landlords often choose this strategy because they can no longer rent it on the PRS, but don't want to spend the money to refurbish it. It's put a lot of pressure on the social housing providers as they've been seen to provide bad-quality properties.

Therefore, it was important to Saif to provide good-quality accommodation. He did the refurbishment to a reasonable spec, and to a point where he would be happy to live there himself. Although the kitchens and bathrooms were very basic, they are to a good standard and all the flats are carpeted throughout. It felt like a fresh place for someone to move into.



FINANCIALS

Saif bought the property with cash, and paid for the refurbishment with no help from loans. He recently got a valuation on the property for £145,000. He plans on keeping this property unencumbered. He wants to keep at least one property without a mortgage as he can bridge against it, or use it for a rainy day. *"It's probably even better than having cash in the bank,"* Saif says.

He had the valuation for nothing more than peace of mind, and it came in exactly as he expected.

Previously, Saif had only done one property before this one, but one of his joint venture partners has done around 40 or 50 similar projects. They work closely together, and his JV partner has been able to teach him some valuable information and knowledge.

LEARNINGS

There was a lot to be learned from this project, Saif admits. One of the main lessons he learned was that if the properties are rundown and are likely to have squatters, it's important to make sure that things are in place to prevent them coming back in from the outset.

"If I did it again, I'd probably put the metal door frames on at the beginning to make sure that no-one goes back there, and I'd put some security cameras up as well, just to try and put people off from going in," he says.

But would he do it again? Absolutely. He likes working on properties with problems. But it's important to buy them cheap enough to be able to solve any problem that comes up. If he had bought the property at £130,000, it would not have been the same story. He believes that the success of this project was down to the fact that he bought it at the right price. If it had been more, it most likely would have been the worst property he ever bought.

WHAT'S NEXT?

Saif hopes to eventually expand into other geographic areas where there are specific opportunities to meet social housing needs. He wants to keep doing more of the same, as it is a great strategy and works well for him and his lifestyle.

Social housing can be overwhelming for some, as it's a different type of market, a different strategy and a different business model. But it works for Saif, and he has developed a business model around it.

CLICK HERE TO LISTEN TO THE FULL INTERVIEW

GET IN TOUCH

If anyone wants to get in touch and speak to Saif about his model or about social housing, then he's happy to give as much advice as he can.

Email: **info@sdgbproperties.com**
Website: **www.sdgbproperties.com**
Facebook: **Sdgbproperties**
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If you have an interesting or unusual project that you'd like to be featured in Your Property Projects, then drop me an email at **angharad@yourpropertynetwork.co.uk**

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Gross rental income £24,120 pa   Gross yield 8.9%

Sale price **£270,000** | Investment required*: **£66,850** | ROI: **12.5%**

*based on 80% LTV

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Gross rental income £12,600 pa **Gross yield 11.5%**

Sale price **£110,000** | Investment required*: **£26,300** | ROI: **18.9%**

Vinery Street, LS9 9LS

3-bed, 1-bathroom

Gross rental income £12,600 pa **Gross yield 11.5%**

Sale price **£110,000** | Investment required*: **£26,300** | ROI: **18.9%**

For more information please contact
tom.lloyd@vestaproperty.com or **020 3950 8289**

NOT TO BE MISSED

ARE YOU ASKING ENOUGH QUESTIONS?

By **Jacquie Edwards**

It can be hard doing something for the first time. The first time buying a property can be scary and a bit nerve-wracking. You've never done it before and you aren't completely sure of the process and the exact steps. You assume that the estate agent and your solicitor know exactly what needs to be done, so you just rely on them to get everything right and not miss any details. You might have a quick scan through the deeds and all the documents but assume that someone else will pick up anything that you need to know.

Then it's time for refurb work, so you hire an electrician who sounds really smart. He uses all kinds of technical language about your electrical install so you think: *"Yeah, this is the guy. He must know what he's talking about."* You let him get on with it and trust that he tests everything that you need tested and fixes anything that needs fixing. And then you do the same with the plumber, and so on.

A few weeks later, your new tenant suddenly calls you to complain because other people are always parked in the driveway and they can never get their car in. You pop over to have a chat with the person parked there and it turns out it is one of the neighbours. He tells you that this is their driveway too. The deed says they have shared access to the drive, due to a clause a long time ago about a well that used to be there. Everyone has the right to use that drive, and since parking is tight in the area, it's basically first come, first served at the end of a long work day. You call your solicitor to ask him what is going on and why he didn't tell you that and he said: *"Well, I thought you knew, it was in the title deeds."*

Then you go back to the house, still fuming over the driveway fiasco, and see smoke coming out from the back. The kitchen is on fire. The tenants are panicking as they had just turned on the microwave you provided. You picked it up at a charity shop and assumed the electrician would have done the PAT testing. You call him to ask why he didn't notice that the microwave's wiring was dodgy, and he just says that he didn't know he was supposed to PAT test it.

And that's when you hear the dripping. You look up and you see a large crack appearing in the ceiling on the other side of the kitchen, just as the bath falls through with a big splash. I'll assume you forgot to ask the plumber to test for signs of leaks or damages under the bath, because you assumed he would do it as part of his general inspection.

I see so many people get started in property with no prior experience. That's awesome. I'm all for people jumping in, as it's exactly what I did. But then I see that so many people are afraid of sounding stupid or asking an obvious question, so they rely on their "experts" to take care of everything for them. And I'm sure you have heard what happens when you assume … if you haven't, Google it.

I get it. It sucks to feel stupid and like you don't know what you are talking about. It's especially hard when you've left the career you've been building your entire life, where you know the answers and are comfortable. Jumping into something completely new and being the newbie can be difficult, Especially when you want people to take you seriously, so you pretend to know more than you really do.

But that's a dangerous way of getting things done, and a harder way to learn than if you ask more questions and make sure you understand the full picture. Maybe it's easier for me because I'm a blonde woman, so I simply assume people expect me to be a bit ditzy and not know what's going on. I play on it and use it to ask lots and lots of questions. I often ask the same question multiple times to make sure I really know and understand exactly what I'm getting. None of my tradesmen have ever laughed at me (to my face), and as a result I've rarely ended up with something I wasn't expecting.

I've read all my contracts and discussed with my solicitors exactly what they are doing when we purchase a property or if I notice anything funny in any clauses. I ask my tradespeople loads of questions, and ask them to dumb it down for me if they speak too technically … I need to make sure I get exactly what I need from them.

I don't trust that they all know exactly what certifications I need as a landlord, so I often give them printouts of the council regulations so I can guarantee that their work will meet those regulations.

I want you to channel your inner ditzy blonde – I'm allowed to say that because I am one – and make sure that whenever you aren't exactly clear on what is happening, you ask as many questions as you need to. And if the other person can't answer your questions in a way you understand, it's okay to get someone to help you.

Don't make costly mistakes because you didn't want to ask questions or were afraid of sounding stupid!

Jacquie

Property Go-To Girl

Jacquie Edwards is the author of ***"Rent to Rent: Your Questions Answered"***

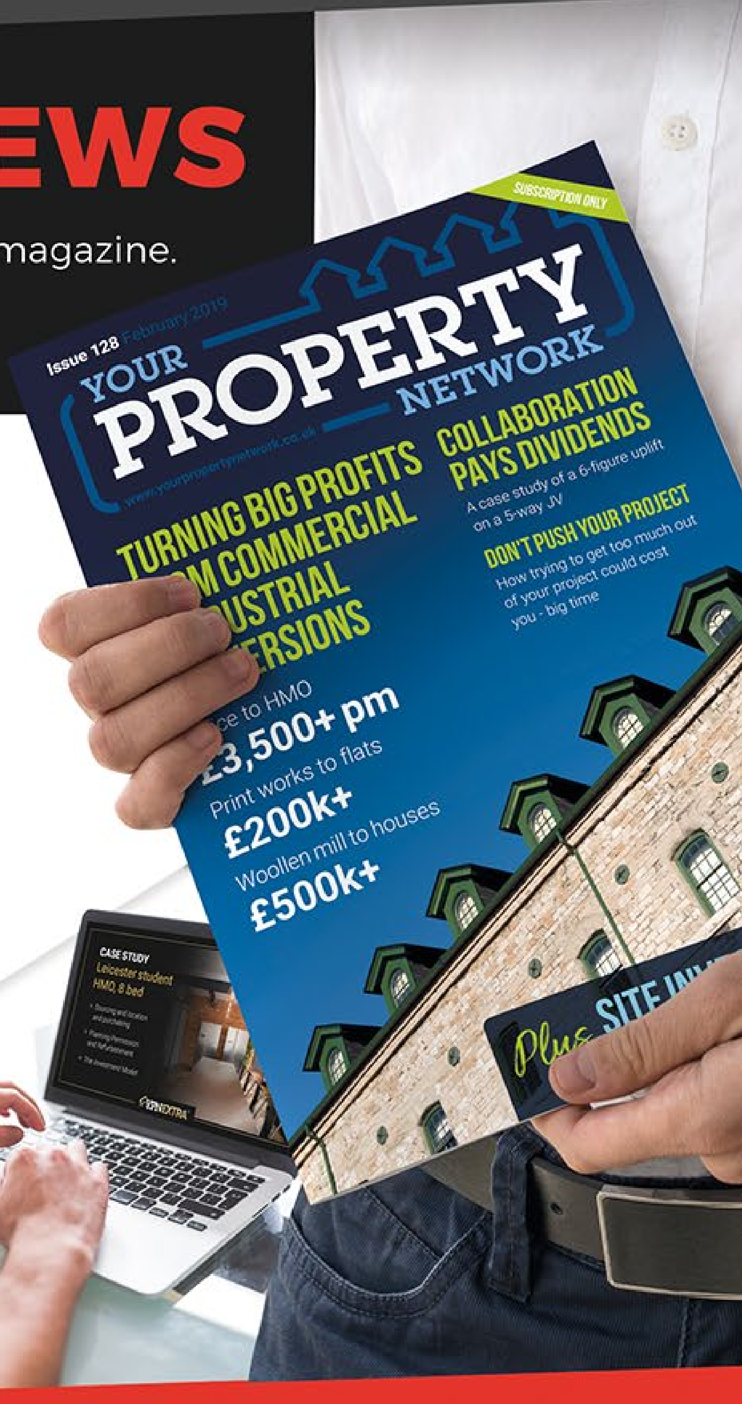
STOP THE PRESS!

Wait a minute ... we ARE the press!

HUUUUGE NEWS

YPN is now truly **YOUR** property network magazine.

Share opportunity from YPN!



We're excited to announce that 2019 marks the 11th year of Your Property Network magazine! Due to reaching this important milestone, we have decided to release some shares in YPN.

Based on the management accounts for this financial year, we are predicting in excess of one million pounds turnover and profits of over half a million., and **YOU** have an opportunity to become one of our shareholders.

This opportunity will be initially only open to you, our loyal YPN subscribers and friends of YPN.

We have teamed up with our friends at LEOpropcrowd who will facilitate collection of funds and issuing share certificates etc.

If you would like to find out more about this new opportunity, then visit **www.yourpropertynetwork.co.uk/shares** for more details.

BUILDING REGULATIONS

By **Mark Doyle**

Looking at the UK's published building regulations in full, you can be forgiven for thinking they are long and complex. Similarly, for those of us who regularly work with building inspectors, we know that their interpretation can also vary from inspector to inspector and council to council.

So yes, they are detailed, specialist, complex, confusing and their interpretation can vary!

Unless you have a background in construction or building work, you are unlikely to have any knowledge of what's expected. Hence when we start out as property investors, we rely on the expertise of our builders and maybe an architect or an engineer.

But how much do you need to know? How much of this information will you use?

In this article, I'll attempt to pick out examples from the regulations you are most likely encounter as investors, will hopefully fill some knowledge gaps and answer some questions.

UK Building Regulations Current Standards

In England and Wales, the Building Regulations 2010 are scheduled in 16 parts (Part A through to Part Q). In Scotland, the regulations are set out in the Building Scotland Act 2003. In Northern Ireland, the regulations are the Building Regulations (Northern Ireland) 2012.

WHAT ARE BUILDING REGULATIONS?

The building regulations are a series of documents (see Table 1) that set out the UK's statutory requirements. They give examples of approved "best practice" methods to construct and build pretty much anything. **NOTE: They do not cover gas installations as this has separate regulation.**

The regulations cover all aspects of construction, but as with anything, the devil is in the detail. Whole discussions can take place on site over what is the right or wrong way to do something, that may or may not be covered in detail in one paragraph in the regulations. The catch here is that the regulations cover standard issues on a typical standard project, and we all know that every project is different.

All professionals in the construction industry will have some knowledge of the building regulations. However, only building inspectors and a few other highly experienced engineers, surveyors and site/project managers will have real detailed knowledge.

The Building Regulations (England & Wales)

A) **Structure:** Approved Document A, 1 September 2013 Statutory guidance

B) **Fire safety:** Approved Document B, 18 December 2018 Statutory guidance

C) **Site preparation and resistance to contaminates and moisture:** Approved Document C, 3 September 2013 Statutory guidance

D) **Toxic substances:** Approved Document D, 2 December 2010 Statutory guidance

E) **Resistance to sound:** Approved Document E, 4 March 2015 Statutory guidance

F) **Ventilation:** Approved Document F, 1 December 2010 Statutory guidance

G) **Sanitation, hot water safety and water efficiency:** Approved Document G, 9 March 2016 Statutory guidance

H) **Drainage and waste disposal:** Approved Document H, 4 December 2010 Statutory guidance

J) **Combustion appliances and fuel storage systems:** Approved Document J, 3 December 2010 Statutory guidance

K) **Protection from falling, collision and impact:** Approved Document K, 3 January 2013 Statutory guidance

L) **Conservation of fuel and power:** Approved Document L, 5 April 2018 Statutory guidance

M) **Access to and use of buildings**: Approved Document M, 9 March 2016 Statutory guidance

P) **Electrical safety:** Approved Document P, 1 January 2013 Statutory guidance

Q) **Security in dwellings:** Approved Document Q, 5 March 2015 Statutory guidance

R) **High speed electronic communications networks:** Approved Document R, 20 April 2016 Statutory guidance

7) **Material and workmanship:** Approved Document 7, 29 November 2018 Statutory guidance

Table 1, Showing The Ministry of Housing, Communities and Local Government published guidance referred to as 'Approved Documents' on ways to meet building regulations.

www.gov.uk/government/collections/approveddocuments" government/collections/approved-documents

HOW MUCH DO I NEED TO KNOW?

If you are working on a project that needs input for building regulations, and you don't understand what's shown on the drawings (see Case Study 1 for a straightforward example), then you may need some help.

Most building inspectors and council building control officers (BCOs) will expect you to have little/limited knowledge, and are often helpful. They will usually take the time to explain and point out what needs to be done to meet the regulations.

Do all building projects need building regulations approval? - No!

If you want to take control of your own project for building regulations approval, what are the steps?

- **Arrange to get an architect or technician to produce your floorplan survey and building regulations drawings**
- **Decide whether you want to employ your own building inspector or utilise the council's BCO. Find out the timescale they need to assess your project/drawings and its cost and then submit your drawings**
- **Meet your building inspector on site and walk through the project. Make notes of all the things that need to be amended on your building regulations drawings**
- **Send your drawings back to whoever did them for you to be amended as per the building inspector's comments. Then re-submit them to your inspector for any more comments and subsequent amendments**
- **Notify your building inspector of your start date and get going.**

Generally in England, Wales and Northern Ireland, you are looking to get a *Conditional Approval of Building Regulations*. In Scotland, you need a *Building Warrant* prior to undertaking the works.

CASE STUDY 1

Five-bed, two shower rooms + one extra toilet, HMO, Merseyside

This project was a straightforward conversion and refurbishment of a four-bedroom end-terrace Victorian building into a licensed five-bedroom HMO with shared facilities in a conservation area. It was to be refinanced onto a bricks and mortar HMO mortgage and would need building regulations approval.

The building inspector wanted to see any works of ***material change to the structure of the property*** on five separate visits. This included removal of walls, adding lintels and the other major systems (ie ventilation and extraction, all drainage works, fire doors and door furniture, smoke, heat and carbon monoxide detectors, emergency lighting, replacing upvc double-glazed windows, protecting the windows/tenants, raising the banister 100mm and signage).

No drawings were prepared for this project as the works were relatively straightforward and undertaken on a building regulations-written builders notice submitted to the council's building control team.

On each visit, lasting some 30 minutes, recommendations were made and works undertaken as requested. At the final visit a snagging list was prepared and these works were confirmed by emailing photos to the BCO for final approval. A memory stick comprising approximately 500 photos of the works was also submitted for the BCO's files.

A signed off Building Control Completion Certificate was received a few days later by email.

Costs

To submit to the council building control department	**£450**
To prepare the floor plan and drawing for the HMO licence application	**£40**

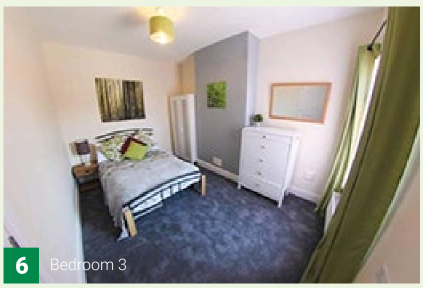
1 Front View

2 Building floor plan for Council HMO Licence

3 Lounge

4 Bedroom 1

5 Bedroom 2



6 Bedroom 3

WHY DO I NEED BUILDING REGULATIONS APPROVAL?

Once you have worked out what you want to do on your project, you then need to determine whether you need to get building regulations approval. It's crucial that you know whether you need the approval or not, as it's **your** project and if there's an issue, **you** pick up the pieces.

Ultimately, a certificate of approval from a building inspector for the works you have completed is a statement that the works have been undertaken correctly and it will help your exit. You will need this certificate for mortgages and refinance. It may also help with insurance and warranties, and you can provide it to a future purchaser as evidence of the quality of work undertaken. In these terms, the value of the certificate can be as much as the works themselves.

It's also useful to know that you can get retrospective building inspection certification after you have already completed the works. This is useful when inexperienced builders have, rightly or wrongly, only done what they thought needed doing. Or even if you realise later on in a project that you need work certifying. The inspection may well highlight some issues that need addressing but it will allow you to complete your project safely.

Some works are specialist by nature and require external consultants, specialist trades and invariably building control certification (see Case Study 2).

CASE STUDY 2 SPECIALIST WORKS

Lower ground floor means of escape, Lancashire

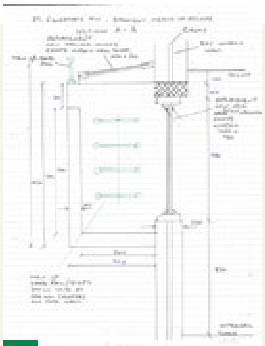
This project was a refurbishment of two city centre lower ground floor one-bedroom flats. Each flat had its own entrance to the rear of the property in very poor condition. At the front of the property a narrow opening allowed light into an older half-buried window into the bedroom. The project was made more complex as the building was in a conservation area.

It was obvious that the existing escape window did not meet the current building regulations to allow these flats to be rented out. You could hardly open it, let alone escape quickly through a 450mm minimum sized opening. Following a discussion with the council conservation officer, it became apparent that she did not want the surface area opening being made any bigger.

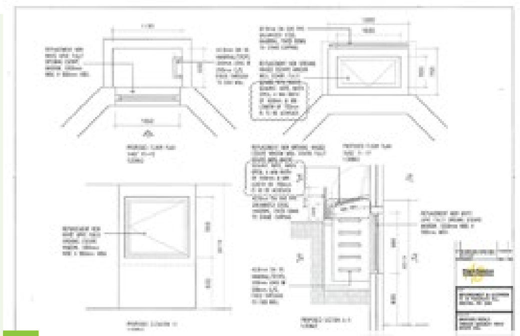
Site sketches and detailed drawings were prepared for submission to the council's building control team for their comments and approval. Two site visits, lasting approximately one hour each, took place with the council's building control officer, conservation officer, environmental health representative and fire officer, all making suggestions. At no stage did the council's technical officers actually state exactly what they wanted.

In total, six revisions of the proposed works were submitted to building control, with suggested amendments being put forward prior to each submission. Ultimately after the sixth revision, the inspector stated he couldn't see anything wrong with the proposal. Note: this was not an approval, but it was the best we could get.

On completion of the works a Building Control Completion Certificate was received.



7 Original site sketch



8 Building Regulations Drawing

9 Emergency escape from outside

Costs for the means of escape to meet building regulations

To provide building control drawings (with unlimited revisions)	£450
To the council building control department	£450
For the two new UPVC double glazed windows (inc specialist glass)	£1,550
Labour	£1,200
TOTAL	£3,650

10 Main entrance before works

11 New emergency Escape from outside

12 New Access from inside

BUILDING CONTROL TRENDS

Although the building control regulations are standard documents, their interpretation by inspectors often reflects recent events. Hence, it's no surprise that inspectors are particularly keen on fire regulations. But they also have their own hot buttons and these can often be seen in the conditional approval document that you receive prior to starting work on site.

As an example, they may ask for: ***confirmation of sill heights for protection from falling or sound testing and certification upon completion of the works. Or even to provide water efficiency calculations to demonstrate maximum water usage of 125 litres per person per day.*** These are all perfectly normal requests for building inspectors.

It's impossible for all of us to know everything about the building regulations, so at least we are in the majority. What's important is knowing when you need advice and where to go to get some help when you need it.

Most architects and consulting engineers can access other specialists even if the issue is something new to them, so don't be fobbed off with quick answers. Make sure you push to get the additional information you need.

CONTACT

Mark is happy to mentor or chat with anyone that may need some assistance and can be contacted at: **mark@cheshlancs.co.uk** or via **www.cheshlancs.co.uk**

Mark and his wife Claire have well over 20 years' experience in BTLs, HMOs, developments and conversions. Today, Claire runs their business while Mark's chartered engineering background allows them to work on properties in poor condition.

Watch the video: www.TheDealmakersAcademy.com/property

GOING GREEN

Interview & Words: **Heidi Moment**

BUILDING WITH STRAW

AS SEEN ON DRAGON'S DEN

BARBARA JONES

Building with straw might sound crazy, but when you find out that it's healthier, hygienic, will save you a fortune on energy AND has a positive impact on climate change, it's an absolute no-brainer. We met up with Barbara Jones to find out all about it.

MEET THE EXPERT

I started as a traditional carpenter and joiner in 1980 and I've worked in construction ever since, running a women's roofing and building company, Amazon Nails. In the '90s, I took a year out to go travelling and whilst in California I discovered straw-bale building and was completely blown away by it.

I started helping people to build with straw straight away and went back to the US and Canada on a Winston Churchill travelling fellowship to learn more about it. Then in 2011 I closed Amazon Nails and started Straw Works with my co-director, Eileen. Straw Works is a design company. We are architectural designers and specialist consultants, designing everything from tiny garden buildings to huge commercial salerooms. We help people to make sure they get the details right, acting as a facilitator to help developers through their first project or designing and managing the whole process.

We also run the School of Natural Building which educates others in this process.

NATURAL MATERIALS ONLY

"We **ONLY** use natural materials. No cement. No plastic."

As a company, we only ever design using natural materials. Some work best for the structure of the house and others for insulation. Materials we use include:

- **Timber**
- **Straw**
- **Clay and lime plasters for the interior and exterior walls**
- **Breathable paints made out of clay and lime**
- **Sustainable board materials, such as Smartply OSB3, panelvent, fermacell. This has no added formaldehyde, or toxic glues**
- **Wood fibreboard**
- **Sheep's wool, recycled cotton and paper or hemp or wood wool batts – used for insulation if we aren't using straw.**

NO NEED FOR A DAMP PROOF COURSE

Often people don't realise that the damp-proof course in modern houses is there to protect the building from the cement foundation because cement's always wet. We never use modern damp proof courses, instead we use appropriate materials, ones that do not wick water like cement does. And we use traditional capillary breaks, so no need for any plastic.

WHY STRAW?

Most modern materials are cradle-to-grave. You make them, you use them and then you bury them and they stay buried forever.

Natural materials are cradle-to-cradle materials, which means they are still in their natural form and haven't been treated with anything. Straw is grown, fuelled by the sun, fed by water and harvested. We can make it into bread or we can make it into houses. The great thing is if in 200 years we decide we want to take the house down, **the straw can then be composted or mulched around the trees and it will go back to nature without causing any damage or toxic outflow.**

In England, each year we plough five million tonnes of straw back into the earth, because we don't know what else to do with it. We could build 650,000 homes with it!

BUILDING WITH STRAW

People have been building houses with straw since around 1850. It started in America, where they used straw bales like giant bricks, put together in the load-bearing method, or Nebraska style. And in the late '70s and early '80s, straw started to be used as insulation in timber-framed buildings.

Nowadays, we use prefabricated modular panels of straw, which are much more widely available to the mass market. The problem is not many people know about them, which is something we'd like to change.

PREFABRICATED STRAW PANELS

A 'straw panel' is effectively a box made of timber and filled with straw. Panels are made in a factory, so the boxes, the density of straw and the moisture content are all identical and the measurements are millimetre accurate.

The dimensions of the boxes vary, depending on the design. If you've got access to a crane, then the panels could be three metres high by 800 millimetres wide, or 600mm by two metres if you're manoeuvring them by hand.

These structural panels (or boxes) fit together like bricks. So, once you've got your foundations ready, you bring the structural panels to site and just fit them together. Four strong people can manoeuvre the boxes together, or you can use a crane or forklift truck to put them in place. You can get the walls of a three bedroomed house up in three or four days, and the whole structure, including roof, up within a week or 10 days.

STRAW AS INSULATION

The straw itself acts as an insulator. Packed to a density of 100 kilogrammes per cubic metre, the panels give really good insulation.

Regular types of insulation, such as expanded foam, rock wool or glass wool are either made from the petrochemical industry, or they're extruded from stone or glass somehow, all of which takes a lot of energy. Straw, on the other hand, uses no chemicals and releases no toxins into the environment and is fuelled by the sun, making it a much cheaper, safer and healthier choice.

NON-FLAMMABLE

People often wonder if they are flammable because they imagine straw to be flammable, but there isn't enough air inside the panel or bale to set it on fire. Lots of fire tests have been carried out in different European countries and they all confirm plastered straw is a better fire protector than most other modern day materials.

COSTS ARE COMING DOWN

At the moment, building in this way is slightly more expensive than conventional building methods, but that's about quantity. As people become more aware of these products and more people are building with them, prices are beginning to come down to be pretty comparable, and that will continue over the next few years.

SUPPLIERS

You can't buy these panels at B&Q, yet, but there's quite a good network of specialist suppliers all around the UK who provide all of these natural materials. Some of them are made in this country, and some of them are made in Germany or France and brought in. There are several straw panel manufacturers in Europe, including one in the UK. I work with a company called EcoCocon based in Lithuania.

Other suppliers include:

- **EcoMerchant**
- **Ecological Solutions**
- **Green Building Store**
- **Natural Insulations**
- **Womersleys.co.uk**
- **Ty Mawr Lime (Welsh Lime Centre)**
- **Anglian Lime**
- **Black Mountain**
- **Thermafleece**
- **Steico.**

THE PROBLEM WITH CEMENT

Cement is a real enemy of the environment. For every tonne of cement made, a tonne of carbon dioxide is released into the atmosphere. And because of the huge quantities that are manufactured worldwide, that makes it one of the major causes of greenhouse gas, which makes it a real contributor to climate change.

Cement comes from a raw natural material, limestone. But chemical additives are added to the burning process, which means at the end of that process it has transformed into something very unnatural that won't go back to nature.

Cement and gypsum plasters are also a major cause of mould, condensation and damp in buildings. These kinds of problems can take a long time to show on some buildings, which is why we are only just starting to realise it now 20 or 30 years on. Damp can be a real issue in houses, and it's interesting to note that English and Scottish Heritage have banned the use of cement on all heritage buildings because of this.

LIME REGULATES HUMIDITY

Instead of cement-based plasters we use traditional lime and clay plasters, which have been around for more than 12,000 years. They are totally breathable and help to maintain a healthy indoor air climate without creating draughts or compromising airtightness.

> "Lime plaster is hygienic because it doesn't grow mould and bacteria on it and it mitigates against them"

In a normal house plastered with gypsum and cement plasters, humidity created by using the shower, bath, washing machine or drying clothes on radiators will result in mould and condensation. This doesn't happen in a house plastered with clay and lime plaster, as clay and lime can regulate humidity to the exact level needed for human health, by absorbing excess moisture in the air and releasing it again when the humidity level drops. Pretty impressive really.

THERMAL-EFFICIENCY AND AIRTIGHTNESS

It's extremely easy to achieve Passiv Haus standards with these buildings. Passiv Haus requires an air exchange rate of 0.6 per hour, which is very low. Building with straw makes it easy to meet the 0.6, because the panels fit very tightly together, which increases airtightness. So straw buildings far surpass the building regulations requirement, which is 10. In my opinion, building regulations should lower their requirement to 5, so that all new houses are better quality, have lower fuel bills and no draughts.

REDUCED ENERGY BILLS

When you build a house in this way, energy bills are reduced dramatically. You hardly need any heating in the house because the straw retains the heat as well as preventing heat loss. If you imagine a house built using foamed products with stone or glass wool insulation. When you heat that up and then turn the heat off and open all the doors and windows, the heat will leave. The walls don't retain any heat, so when you close the door again it will be cold.

"Straw walls store latent heat, retaining heat and reducing energy bills"

But if you've got a straw house, and you do the same thing, it will very quickly get warm again when you close the door because the latent heat is stored in the walls.

CASE STUDY

NORTH KESTEVEN COUNCIL HOUSING, LINCOLNSHIRE

North Kesteven are renowned for being really environmentally friendly. 10 years ago they commissioned us to design two pairs of semi-detached houses using the original load-bearing method of straw bales. This was really innovative at the time.

The design included these elements:

- **Cement-free foundations.**
- **Engineering bricks with a lime mortar from foundation level up with a 450-millimetre-high plinth wall.**
- **Behind that was a section filled with recycled foam glass chunks, which acts as a capillary break and insulator on the load-bearing part of the wall.**
- **Foam glass blocks made from recycled old car windscreens for the internal skin.**
- **A timber ladder on top of the foundations with wool underfelt from carpet to make a squashy join between the timber and the masonry.**
- **Coppiced hazel sharpened into sharp points that the straw bales are then embaled on.**
- **Build up the wall seven bales high.**
- **Ring beam at the top, then another six bales high up to the roof where there's another ring beam.**
- **The roof made of clay pantiles with sheepswool insulation is built on top.**
- **High-quality timber windows.**
- **Open plan downstairs with a door to the stairs so the heat can be contained downstairs or let upstairs to the bedrooms in the evening.**
- **Double doors into the garden.**
- **Skylight above the stairs so that we can create a good airflow in summer to keep the building cool.**

"Extremely energy efficient with a U-value of 0.17"

CARBON NEGATIVE

People talk about zero-carbon homes, and are trying really hard not to produce more carbon dioxide than they use in the building. But building with straw and natural materials is infinitely better than that, as we're actually creating negative carbon homes, so we're off the scale in the other direction.

"Internal walls are made from recycled car windscreens"

Straw doesn't produce carbon dioxide. Like all plants, including timber, it absorbs it and produces oxygen. Lime plaster does produce carbon dioxide when it's made, like cement does. But the difference is once you've put it on your wall, it starts carbonating, which means it starts reabsorbing the carbon dioxide that it originally produced when it was made. And after a year or so, it will have reabsorbed it all, which is just amazing.

Also, if you knock the lime plaster off your house, it goes back to something natural, which is limestone, so you can put it on the garden, or mix it up and use it as sand to mix with more lime putty to make another plaster. Again, this is infinitely better than what happens with normal building materials, which go into landfill and create a horrible mess through leaking chemicals and sulphates into the ground for years.

NO RADIATORS AND NO HEAT SOURCE

Generally, radiators or underfloor heating are just overkill in a really well-insulated house. In these houses we added a wood-burning stove because we feel that a fire is the heart of the home and makes a great focal point for any living room. A small three-kilowatt stove is sufficient to provide enough heat and if it gets a bit hot, you just open a window. As the houses are so airtight it will only be necessary to burn the stove once every other day, even in the winter. Any more and it would get too hot.

10 YEARS ON AND STILL GOING STRONG

After ten years these houses are still absolutely fine. The plaster is fine and there's no damp or mould. They haven't even been re-limewashed. The tenants have some energy bills to pay, such as electricity and gas for the cooking, but their bills are significantly reduced as they're not paying for heating.

RAISING AWARENESS

In August this year, we're running a European straw-bale conference in Todmorden, West Yorkshire. We want to raise awareness of the benefits of building with straw panels. We're trying to reach local authorities, social housing, major developers, engineers, building surveyors, architects and anyone else interested in building with natural materials.

Come along to find out more about how **YOU** can build with straw.

CONTACT

E **barbara@strawworks.co.uk**
W **www.strawworks.co.uk**

European straw-bale conference in Todmorden **www.esbg2019.org**

YPN SAYS

Want to share your sustainable build story? If so, please get in touch. We'd love to share your story too. Please contact me at **Heidi@yourpropertynetwork.co.uk** for more information

BUYING WISELY

EPISODE 1: MAGNET KITCHENS

By **Anthony Bailey-Grice and Nick Watchorn**

Landlords and developers regularly need to source building, plumbing, décor and other supplies, so buying your materials and supplies wisely is as important as sourcing a property at a good price. I can say from experience that it pays to be a member of LNPG, or the Landlords National Purchasing Group , who negotiate contract prices with national organisations for their members. Who doesn't like the idea of getting a discount?

Drawing on their experience of where you can make savings in your own properties, Anthony and Nick present the first in a series of short articles on getting the most out of your refurb spend. *Jayne*

Spending money as a landlord. That's the easy bit, right? It's getting the money in in the first place that will always be the main concern.

While not a bad philosophy in itself, delving into it a little further can leave a landlord falling into the trap of getting the cheapest products possible whenever they can.

That's not such a bad idea either, is it? Well, not until something goes wrong, that is ...

There's an old adage: **Buy cheap, buy twice**. But what does it really mean? Well, generally, that the initial saving is very rarely worth the time lost, trouble caused, and money added in the long run.

This month, we'll look at some of the highest-ticket items you'll be buying for your refurbs – kitchens – and what you can do to make the most of your money.

GETTING THE RIGHT PRODUCT FOR THE JOB

It's important to not only know what a good kitchen is, but also what the individual aspects of these kitchens are that make them so good.

Unit doors

With any kitchen, the first thing you should make note of is the doors. Most doors are almost indistinguishable if you look only at the aspirational shots in brochures, so it's important to know what you're looking for.

Make sure your doors are MDF and fully vinyl-wrapped. You should leave no room for water ingress through to the wood, and use a wood that isn't susceptible to bloating or warping. This is a very easy way to protect your investment down the line, all by being a little more discriminate with your product selection.

Door handles

It can also be a good idea to go for a range with integrated door handles. Partly an aesthetic decision, sure, but it's also a quick way of eliminating the cost of perhaps a dozen handles that would otherwise be added on top of the kitchen itself. In addition, tenants won't be damaging the handles and hinges of your new kitchen, pulling them apart piece by piece.

Following this advice, Magnet's Luna Kitchen (Band 2 of their Contract Kitchen Solutions range) is a great example of a rental kitchen done right. And with LNPG, the price difference between this and the lower band is marginal.

Band 2's Luna Kitchen (pictured above) makes up more than 80% of LNPG members' kitchen purchases.

BE PROACTIVE

It is important for landlords to take the driving seat when purchasing, particularly for the kitchens in their first rental properties. Ask yourself the same questions that run through your head when viewing a property: Would I be able to live in this environment? What's the best way to make use of this space?

Once you've got an idea of what you're after, get yourself on the best pricing file possible.

By going into a retail store and getting the retail experience, you can expect to pay the highest price for your kitchen. If you're not looking to be pampered, however, go into a trade store with measurements in hand from the beginning. You'll pay much less for the same kitchen.

This price goes down again for members of LNPG. The process is the same, the kitchen is the same, and the service is comparable with trade. What sets our members apart is the fact we have negotiated significant contract support beforehand. All that LNPG members need to remember is to show their membership card in the first instance to get themselves on the LNPG contract supported pricing file.

SUMMARY

Landlords have never been in such a good position to make the most out of their refurbs. The tools are all there, we just need to make sure we are using them in the right way to get the right products.

LANDLORDS NATIONAL PURCHASING GROUP

LNPG was founded on the philosophy of making the best products affordable for private landlords. Members receive significantly better prices than both retail and trade, and have the office to support them along the way if needed.

If you're interested in finding out more, give us a call on **01455 23 44 99**.

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By **Chris Worthington**

THE BUY-TO-LET MARKET OVERVIEW

Olympic Village Regeneration, London

This month, the main subject is the growth of the build-to-rent (BTR) market. BTR developments are typically medium- to large-sized developments of apartments funded by institutional investors and more specialised property development funds.

The UK has been relatively late in coming to the BTR party. The model is better established in the USA, Canada and in some European countries, especially Germany. BTR developments in the UK are typically high specification apartments with a range of onsite facilities and relatively high rents. Rents normally include utility bills, fast broadband and a 24-hour concierge service. There are usually communal lounge areas and a fitness room. Some build-to-rent development include roof gardens, health centres and parks.

The government National Planning Policy Framework (NPPF) includes specific policy references to BTR, a recognition from the government of the important role played by BTR in delivering future housing growth. If a need for BTR is identified through a local needs assessment, local planning authorities have been directed to *"include a plan policy setting out their approach to promoting and accommodating BTR,"* as stated by the Ministry of Housing, Communities and Local Government in September 2018. *"This should recognise the circumstances and locations where BTR will be encouraged, for example as part of a development on a large site or in a town centre regeneration area."*

The NPPF specifies an element of affordable rent apartments in a BTR development, with apartments having a discount of 20% distributed throughout the development. The framework also specifies collective management by one landlord and the offer of three-year tenancies, although this is not mandatory and shorter tenancies should be made available.

Build-to-rent first took off in the UK in London, here are details of some of the BTR developments in the capital (Source: Turley Associates):

- **One of the first to get off the ground was East Village in Stratford, the former Olympic athletes' quarters. This was redeveloped into 3,000 homes by Delancy and Qateri Diar, the property arm of the Qatar ruling family. They are managed by property company Get Living and offer three-year tenancies**
- **At Wembley Park, property development company Quintain is engaged in a £3billion transformation to deliver 5,000 BTR homes under the company's Tipi brand**
- **Build-to-rent developments are also underway in Croydon, Hayes, Barking and several locations in Central London.**

BTR developments are growing rapidly in several cities in the UK including Manchester and Salford, where 7% of the housing stock is made up of BTR. It is also becoming well established in **Birmingham**, **Leeds**, **Cardiff**, **Newcastle**, **Glasgow**, **Norwich** and **Chelmsford**. (Source: Property Investor Today).

The Anaconda Cut in **Salford**, one of the largest BTR developments in the UK, consists of a 44-storey, 131-metre-high tower. It was funded by US investor Viventi Capital and is managed by property manager First Port. Nigel Howell, chief executive of First Port commented: *"First Port will be the single point of contact for customers, from helping them to secure a tenancy to looking after their home."*

Brighton is the latest major destination for BTR with plans approved for a 200-home development funded by Legal and General on the site of a former industrial estate, 200 metres from the main railway station. The development will also offer 3,270sqm of commercial space.

The BTR map produced by Savills on behalf of the British Property Foundation plots BTR schemes across the UK to attract institutional investors. It found that:

- **There are 139,508 build-to-rent units either completed or planned across the UK, including 29,416 completed, 43,374 under construction, and a further 66,718 with planning permission**
- **In London, there are a total of 72,767 units**
- **Outside London, there are 66,741 units**

A recent report from estate agents Knight Frank forecast that £75billion will be committed to the professionally managed private rented sector by 2025. Tim Hyatt, Head of Residential Investment commented: *"We are seeing a significant number of individual private buy-to-let landlords exiting the market as the government's buy-to-let tax changes start to bite. Large scale professional landlords are well placed to absorb this as well as satisfying some of the structural shortfall in our housing supply."*

However, not all commentators are as optimistic about the future of BTR. A recent report in The Times' Bricks and Mortar property supplement found that BTR developments are *"disproportionately geared towards affluent young professionals without children because the properties are too small, too urban based and too expensive."* Analysis of 25 rental schemes by property consultant JLL found that homes were 11% more expensive than in the local rental market.

The government policy towards BTR as set out by the NPPF clearly acknowledges that the sector will be encouraged and will continue to grow. BTR is geared towards the lifestyle of affluent young professionals, and may also suit less well-paid couples who are key workers in the public sector.

The growth of BTR is a significant change in the market. How should private buy-to-let investors respond? City centres have been some of the most attractive places to invest in recent years, and despite the growth of BTR, there will be opportunities available in city centres for private investors, albeit on a reduced scale.

Landlords also need to compete on amenities – attractive décor, a well-maintained garden and the inclusion of an internet connection in the rent will all help to attract good tenants.

Chris Worthington is an economist with 20 years of experience in local economic development. You can contact him via email on chrisworthington32@yahoo.com

FROM COMMUNITY LIVING TO SHARED HOUSES TO HMOs AND BACK TO CO-LIVING AGAIN

By Richard Brown aka THE PROPERTY VOICE

Recently, an overseas investor called me for some advice. He said he was "asset-rich but cash-poor" and so had decided that he wanted to start investing in HMOs. I asked him why, to which he responded: "I am looking for higher income and cashflow to make my money work harder for me."

I then replied with something along the lines of … this can be possible on paper, but not always true in reality.

HMOs have been a bit of a thing for those seeking out income and cashflow for a while now. However, not all HMOs are equal and in some parts of the country, they have become saturated or even marginalised to some extent. This was a surprise to the investor to hear and did get his attention, you could say!

This is not an untypical kind of conversation that I have of late.

You see, as humans, we have pretty much always lived in communities. This is not only because we are social creatures, but originally it was also to provide both safety in numbers and a shared economy around land or water for food. People in such communities would all support one another and specialise in their individual contribution to the whole community.

Over time, these communities have morphed and become a little more siloed, with each of us living a cocooned existence with our nuclear families within our private four walls. We venture out into more remote working communities to undertake work for money, or even opening the laptop to work from home. Gradually, we did lose something of the community aspect along the way, particularly in the larger urban areas and cities.

Add to this the growing need for housing, especially in the cities where people are increasingly migrating away from rural areas, and there is a pressure on housing, especially affordable housing.

This gave rise to the idea of shared living, and houses of multiple occupation (HMOs) started to emerge in more dense population areas. The focus was very much on economics in the most part, where singles and couples without children could rent a room in a shared house for less than the rent of a one-bedroomed flat. Whilst the idea of community and service exists to some extent with such shared houses, including shared kitchens and bills-inclusive rent as a couple of examples, the idea of co-living was still not so pronounced.

"Co-living can be considered to be the conjunction of two aspects of people living together: the physical space, and the shared values or philosophy. Both vary tremendously resulting in many such spaces being unique. Operational aspects influence the scale of the properties used, but it is more the culture and philosophy of both the operator and the residents using the space that define it." Source: Wikipedia.

If we look at this explanation of co-living, we can easily see one element of it at play with our shared houses and HMOs … ie the sharing of a physical space. However, it is the second element of the description, the shared values and philosophy part that is starting to turn shared living into a whole range of sub-segments and emerging models.

For example, student houses do already bring an element of the shared values together – after all, everyone is there to study. Now, we may have an HMO that targets people on benefits, blue-collar workers or white-collar workers, as that is more likely to create greater harmony in our property with a common interest group. This only takes us part way through, however.

I have increasingly seen the demand for, and supply of, additional services coming in to support the simple division of physical space among a shared house. For example, furniture, super-fast broadband, cleaners and even Netflix subscriptions have become almost staple additions for those looking for a room rental in a shared facility. This has already taken us somewhere new, or indeed somewhere familiar from our past, and perhaps we have not lifted our heads high enough to see exactly where the horizon is just yet?

The sharing economy is shaping a lot of how we are starting to buy and use assets such as property and cars. We can now call an Uber from the airport to take us to the Airbnb we have rented for the weekend, both from our smartphone. These apparently simple transactions represent a part of the new digital economy: democratisation of assets (sharing the car or property with many people), fragmentation (charging for assets by smaller units, such as days and minutes instead of years and months) and immediacy (tapping into a mobile app to book on the spot). In short, we can summarise these elements as **convenience**.

Equally, increasing urbanisation has brought people closer together physically, yet further apart socially, it could be argued. If you don't believe me, try taking the tube into London, the tram into Manchester or the bus into Birmingham at rush hour, and observe how many people are plugged in or zoned out with nobody talking to one another, besides that strange person that you know is best to avoid eye-contact with!

Research has shown that people in cities feel more isolated and in other studies, a lack of social interaction has even been linked with shorter life expectancy. This then is the second element of co-living, which is seeing something of a renaissance … **community**.

CONVENIENCE + COMMUNITY + LIVING SPACES = CO-LIVING

So, where are we headed next then? Well, here are some examples in London to illustrate the trend …

Urban Shared is a London-based shared housing provider that offers more services, less rigid contracts allowing greater freedom of movement and an app-based property management system for instant communication as a part of its offering.

The Stay Club in Camden say: *"We believe that your accommodation shouldn't be just a room. It should be somewhere you can live, study, socialise and most of all have fun."* That's a lot more than a bed and a shared kitchen, it includes shared working, social space and events too.

Then, we have The Collective, whose mission states: *"We want to build a world that's more alive, more together and more collaborative. Our buildings are so much more than just bricks and mortar: they redefine the way people choose to live, work and play by providing unique shared environments that unlock inspiration and make every single day extraordinary. We create places where you can meet new people, try new things, and learn something new every day."*

At The Collective, you can get your shirts washed and ironed on the same day, work in one of their hot desk areas, watch a film in the on-site cinema, listen to live music from a band in the bar, grab your milk and muesli from the shop and even rent a Zipcar for a weekend trip out of town to see the folks. Now that's taking community and convenience to a whole new level!

Just as large facilities management companies are making waves in the student housing sector, leading to the standard student house share to become largely extinct, so too are larger specialist property management providers like The Collective starting to introduce blurred lines of what shared living entails. We will increasingly see a building where the upper floors are apartments, which on the way down, the lift passes the gym, the social area, the workspace and finally the convenience store.

Now, if you really want to glimpse into the future, then just look up WeLive and Mini Living. The former allows the so-called digital nomad to move around from city-to-city and even country-to-country to work and live with ease. The latter envisages micro living spaces and micro (or rather Mini) on-demand transportation systems in cities too.

This is not all sci-fi film material, it is starting to happen even today. These changes will not happen overnight, mainly due to the huge investment required. However, it is an increasingly emerging trend at the same.

So, what does this mean to us and our cash-flowing HMOs then? Well, to me it points us towards the future direction of travel. This is one where we, as housing providers, will be expected to move more and more towards some of the principles of co-living in order to stay relevant and competitive with our shared houses and HMOs. This means more convenience through inclusive or optional services and immediate communication, along with more community through multi-functional spaces that mix work, rest and play.

Are these co-living trends relevant and critical for HMOs today? Possibly not. And tomorrow? Probably yes. And for the day after tomorrow? Definitely! So, as you start considering your next high-income HMO, have at least one eye on these emerging trends to ensure you don't get left with an HMU … House of Multiple Un-occupation! A great way to explore some of these thoughts more deeply is to take a look at my latest book ***#PropTech: A guide to how property technology is changing how we live, work and invest.***

Richard Brown is the author of **"Property Investor Toolkit: A 7-Part Toolkit for Property Investment Success"** and **"#PropTech"**.

WHAT ARE HMOs REALLY ABOUT?

By Mark Lloyd

I always find the amount of hype around HMOs quite interesting. Yes, some of the highest returns in property investing, certainly in terms of residential buy-to-let, can be made with HMOs, but are they right for you?

The main reason I see why investors choose HMOs is because of the (potential) income returns. And there are some very successful HMO landlords in the UK. But what is it that makes them different to many other investors? What do they do differently to ensure their success?

HMOs have been in vogue now for some time, to such an extent that there is a massive oversupply in some areas. There are many empty HMOs because landlords didn't think about their property in a business context.

Let me explain what I mean. Whichever market you are in, you can either compete on price, or on your unique selling proposition (USP). If you compete on price, then you are operating in the bulk market where quality does not matter. Your target market is merely looking for the cheapest product/commodity, in this case, rooms.

In the HMO market, this is where the majority of landlords sit. They purchased a property without much thought, converted it into an HMO and prayed for tenants. They find that it becomes harder, as there is more competition and they reduce room rents to try and attract tenants. They may have been lucky that they entered an area where demand is very high so quality is not considered important. This eventually becomes a no-win, short-term and stressful model for the landlord.

On the other hand, if you have a USP or niche, then price does not become so much of an issue. Here, you are selling on something other than just having a room. So, what could they be?

This is where it comes to satisfying your customers' needs/wants. How many of you have actually carried out any market research to establish exactly what your target customer wants? It's very easy if you have existing HMOs, just ask them to complete a customer survey.

Do you know who your target customer is? EVERY business should know this. It's often now referred to as your AVATAR. But yet in property, very few do. Let's look at this further:

Who is your target customer? Here are some examples:

- **Professionals**
- **Key workers**
- **Housing benefit: disabled, retired, etc**
- **Manual workers**
- **Students – undergraduate**
- **Students – postgraduate**
- **Couples**

Expand on the above list and breakdown further, eg professionals could include accountants, business owners and office workers. Don't prejudge who will rent a room until you have carried out your research!

Now establish what they want?

- **Is it just a room or would they like an en-suite?**
- **What about the décor? Standard magnolia or feature walls?**
- **Flooring? Carpets or laminate/wood?**
- **Furniture? B&Q, Ikea, John Lewis?**
- **TV? Just in communal areas or each room?**
- **Cleaner – communal areas or as a service to your customer?**
- **Location – near to town centre, train station, parking, semi-rural, close to work?**

Do you get the picture?

Next comes price ...

By designing your HMO around your customer, you will be satisfying their needs/wants, and finding tenants to fill your rooms can be more targeted. This will have a by-product of reducing any marketing spend with tenants staying longer.

By carrying out the above exercises, you will be going some way towards creating your own USP/niche. You will then be able to price your product accordingly, and you might be surprised by the results.

Now you've decided on your target customer and how you will design your HMO to fit around them. Next is finding the property. If you have carried out your research properly, then you will know where your customers would ideally like to live. That should be the easy bit – or is it?

The HMO market is one of the more heavily regulated in terms of licensing, etc. The national HMO standard for properties needing a licence is as follows:

- **is occupied by five or more people (regardless of the number of floors)**
- **those people form two or more households**

(In Scotland, properties with just three unrelated people will require a licence.)

To make things worse, local councils can add additional licensing. In other words, change the national criteria to suit their own local circumstances. You should always check what the requirements are with your local Environmental Health Officer, as they are responsible for licensing.

If you want a large HMO with more than six people, then you may also require planning in addition to licensing. And yes, this is not dealt with by the same department! It is dealt with by the planning department. Just because you have a licence does not mean you can put tenants into the property if planning is needed, and vice-versa.

Then there comes the issue of an Article 4 direction. This was originally introduced to limit the number of student HMOs in a particular area to stop over-studentifaction.

Since its introduction, however, it has and is being used by councils to control the number of HMOs in an area regardless of tenant type. As to whether your area has Article 4 or not, you can check with the local council and they will tell you which areas it covers. It is unlikely to be a blanket Article 4 area ... but maybe!

More and more councils have chosen to enact this. It does not mean that you won't be granted permission for your HMO, it just means that you will need to satisfy additional criteria before permission is granted. And remember, just because you have planning agreed, it does not mean you will automatically get a licence if one is needed.

The last thing to consider is management. Will you self-manage or will you sub-contract that out to an agent? I've seen many articles, both in this magazine and online forums, that extol the virtues of HMOs, but many seem to forget that it can be hard work.

I did not decide to start a property business to manage properties and tenants. As HMOs have more tenants, they require more management. I would argue that running an HMO is almost like having a job, which many of you will be looking to leave. But it is possible with the right systems in place ... and the right tenants.

If you decide to sub-contract this role to a letting agent, **BEWARE!** There aren't that many agents who truly understand HMOs. Of those who do, not many offer a good service, so do your research.

It is often worth paying that little bit extra for someone who knows the ins and outs of running HMOs. My personal view is that I never use an agent unless they are an investor themselves. I especially never use an HMO agent unless they either have their own HMOs or they already manage several for other landlords. If they have their own, I would want to see a couple of them, and if they don't, I want references.

To recap:

- **Who is your customer?**
- **What do your customers want? Find a market niche.**
- **Where do they want it?**
- **Who will manage it?**

HMOs can be very rewarding if you are prepared to put in the work, but don't just jump in and hope for the best. Run it as a business and put the right systems in place to ensure your own sanity!

Lastly, if HMOs are not for you, then don't feel left out. In my opinion, there are better returns available with other strategies if you know what you are doing, but that's for another time and another article.

Mark Lloyd is co-founder of Property Master Academy, a company that educates property investors. For more details of the courses they offer visit: www.propertymasteracademy.co.uk

THE 7 ESSENTIAL COMPONENTS

OF BUILDING A WILDLY SUCCESSFUL LOW-COST HMO BUSINESS

By **Francis Dolley**

The last property we bought was, what is commonly known as, a house of multiple occupations. I'm going to put it out there and say that this a terrible name that was probably dreamed up by some civil servant sat in a dark dingy room in Westminster. It sounds more like a prison sentence! We much prefer 'multi-let' as it's a far more agreeable term.

Anyway, we sourced this HMO through an agent, refurbished it, dressed it, tenanted it and now run it as part of our fully systemised portfolio. We followed the same process with our last rent-to-rent property.

The differences are that the HMO took three months to buy, another three months to refurbish, and cost us over £80,000 for the deposit and the refurbishment.

The rent-to-rent deal took three days, from viewing to having it fully tenanted. The refurb cost us a touch over £150 for a TV, aerial, bedroom furniture.

Both properties now make us circa £1,300 net profit per month. If you were to take a walk around each of them, you'd hardly know which property we owned and which was the rent-to-rent deal, even though we spend a bit more money on our own properties.

As for the day-to-day management, it's identical. The systems, the property manager's duties, the legal compliance ... it's all the same. No matter which strategy you pick, or indeed if you, like many, choose both strategies, then my seven essential components of building a successful low-cost HMO business will apply to you.

1. THE BUSINESS PLAN
2. LEGALS AND CONTRACTS
3. MARKETING MACHINE
4. NEGOTIATION 101
5. MANAGEMENT SKILLS
6. BUILDING A TEAM
7. SYSTEMISING

COMPONENT #1

Back in February's edition of YPN, we wrote about the importance of building your business on solid foundations. Sadly, this is something that many people skip. Possibly as they see it as a tedious task, when in fact it can be a super fun activity.

How so? Well, we believe that your ***work*** should be organised around your ***life*** and not, like most people, the other way around. When we started building our rent-to-rent business, we were very careful to design a lifestyle business that would allow us the freedom to do what we really wanted with our limited time on the planet.

We worked with a business mentor to create a specific HMO/rent-to-rent business plan that would generate enough money to create and live the lifestyle we desired. We're currently upgrading this to include a 30-day challenge, as we now know that you can easily launch your rent-to-rent business in a month. So of course, the **#1** component for building a wildly successful rent-to-rent business is to create a **BUSINESS PLAN**. Most people won't. Our advice: don't be like most people.

COMPONENT #2

Understanding the **LEGALS** and signing the correct **CONTRACT** is, of course, imperative. When we started six years ago, the contracts on offer looked and read like they'd been downloaded from a backstreet Hungarian estate agent's website ... they were appalling!

We went to work with top property contract solicitors and created our own. Over time, this has been dissected, overhauled, scrutinised, amended, revamped and revised. And we now believe we have the best rent-to-rent contract in the industry today – the guaranteed rent agreement (available from our website).

We have three absolute essentials in our contract that most others don't have: a warranty to cover lenders' criteria, a warranty that encompasses insurances, and a power of attorney clause. Without the very specifically worded last clause, only the landlord would be able to evict a tenant via the courts, which isn't the hands-free business we offer.

COMPONENT #3

If you don't have any deals, then you don't have a business, so some might argue that component **#3** is the most important of all skill to master.

We often see people in the Facebook forums scrambling to buy deals from sourcers for thousands of pounds, when the truth is that with a little bit of practice, they can find an endless supply of deals themselves. To get deals you need to be able to speak to agents in their language and be prepared to play the long game, ie never go in for a kiss on your first date!

To find deals directly from landlords, you need to create a systemised and easily repeatable **MARKETING MACHINE**. This will consist of letters, leaflets, signboards, networking and making sure that everyone knows that you're operating in the area and that you are offering an amazing service.

COMPONENT #4

Whether you like it or not, you're going to have to **NEGOTIATE** with agents, landlords, builders and with your customers/tenants. You simply must develop some skills in this area, or you'll always be paying over the odds.

The best way to approach this is to always know your bottom line. Understand what the other side needs, leave some room for manoeuvre, and be prepared to walk away. Remember, you are giving the landlords a great benefit by offering to take great care of their asset. To help you master component #4, we recommend reading Simon Hazeldine's brilliant book, *Bare Knuckle Negotiation*.

COMPONENT #5

This may or may not apply to you, as you may or may not manage your properties yourself. We think it's a good idea to be hands-on with at least the first few properties to fully understand what's actually needed to be done, how everything fits together, how long it takes and how much it all costs. Then you might decide to outsource this to a property manager.

We suggest not hiring a high-street agent as it's certain that voids will start to creep in and the poor old agent will likely blame everyone and everything except himself.

We decided to bring the property manager role in-house and found our own. It's a good idea for them to have some emotional buy-in to your – now their – business. Was it a good decision? Well, we've not had a void in over five years, so hell yeah!

See our manual ***Employing Your Property Manager*** below.

COMPONENT #6

Building a good team will take time and you'll probably have to kiss a few frogs before you find your princes and princesses!

Your initial **TEAM** should consist of an efficient cleaner, a dependable handyman who will also be your 24/7 emergency guy, and a property manager. Traits to look for are reliable and consistent people you can trust to get the job done.

We take good care of our team and in return, they take good care of us. The best way to find good people is by recommendation, and as your business grows so will your team. We also recommend starting a tradesman document, with at least three names of every trade you might need: plumbers, tilers, electricians, rubbish removal, wheelie bin power washers ... everyone!

We absolutely guarantee that this will pay you back over and over. Taking the time to find a good team will free up your days to focus on building and growing your actual business. Remember that you're a property entrepreneur and not just another busy property manager/agent.

COMPONENT #7

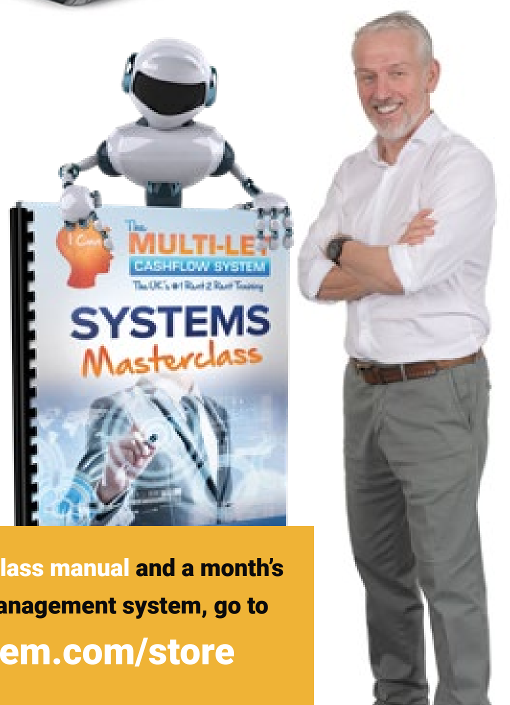
Systemising your business could easily have been #1. In reality, every component is as important at the rest, so don't be put off that it's **number 7**.

Systems are the holy grail of the property world. They free up your time, they eliminate mistakes and they make you look darn good ... and we all like to maintain a slick self-image, don't we?

Our systems revolve around our somewhat brilliant property management software, ***The Engine Room***. Amongst other things, this system enables one-click referencing and tenancy creation. These two processes in themselves are pretty formidable, and totally eliminate expensive and stressful mistakes. It also fully incorporates the digital signing of contracts, which not only saves a lot of time, as the tenant can read and sign the contract prior to moving in, but it also saves money on paper and ink.

Master these components, and we guarantee you will create a wildly successful HMO business.

Until next month, **Decide and Commit, Don't Dabble and Never Quit!**



To get your copy of the Systems Masterclass manual and a month's free trial of the Engine Room multi-let management system, go to
www.multiletcashflowsystem.com/store

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Tel. 0191 501 8091
www.talkinghouses.co.uk

Do you want to be part of a proven portfolio building system that works?

We offer lucrative property deals in the North East! Our below market value investment opportunities will allow you to create an income stream through property and receive excellent returns on investment!

Examples of our current stock:

We source 3 different types of buy to let investments. **1.** High Yielding Properties for our investors who buy cash. **2.** Below Market Value Houses that are tenant ready from day 1. **3.** Money in Money out deals, that can be purchased, renovated and then refinanced to get most of your initial cash investment back out.

All of the properties we source, are providing minimum net yields of 8-9% and are in areas of high rental demand. If purchased with a mortgage, these houses provide up to 30% Return On Investment. This offers our investors unbeatable returns. In addition to the amazing returns our clients are receiving, Savills, one of the largest agents in England, has just reported that the North East is expected to see capital growth over the next 5 years 2019-2023 of 17.6%.

All our properties are refurbished to a high standard by our in-house refurbishment squads and then the management is organised. This gives all our clients and prospective clients complete peace of mind.

If you would like to view any of our current properties, please visit our website at **www.talkinghouses.co.uk**

If you would like to discuss any of our properties in more detail, please call **0191 501 8091**.

Or better still jump on a train and come and visit our wonderful North East. We will collect you at the station give you a guided tour, have lunch and show you our available Residential Investment Portfolio.

If you would like more information then please get in touch on 0191 501 8091 and speak to Mike or Martin and they will be able to help you with any questions or queries you may have.

Join us in London or Durham and Discover what we can do for you.

We let our clients speak for us. Here are some recent clients giving feedback.

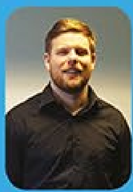
The initial conversation I had with Mike, was the most productive I've had in years, it helped me immensely going forward in terms of the deals I should and shouldn't do.

What really impressed me about Mike, was the fact that is so transparent about the deals I shouldn't buy and he took the time to show me and explained why.. Not a lot of people do that.

I am glad that our paths have crossed and with his help I can now build the business I was hoping.

Many thanks again,

Vikram Oswal, *East London*



Working in the property industry myself, I did a great deal of research when I was looking to venture into property investments in the North East. I contacted a number of agents, but when I spoke with Michael at Talking Houses I knew it was the right way to go. His knowledge of the market and the area is second to none, and the process from start to finish was brilliant and if any issues arose, Michael was always readily available to help and you always receive a personal service.

From my first visit up to the North East last year, to seeing the finished refurbished properties earlier this year, I would definitely recommend Talking Houses as the go to for investments and I will most certainly use them again for future property purchases in the area.

Alex Gorman Tooze, *South East London*

Come and join us for an hour to see what we can do for you. It will help you understand the North East property market and what it can do for you.

Please register your place either by email - **info@talkinghouses.co.uk** or on the contact us page on our website **www.talkinghouses.co.uk** or alternatively call us on **0191 501 8091**.

Our places are limited and fill up fast, so please register your interest at your earliest convenience.

Once registered you will receive your ticket via email.

Our upcoming dates

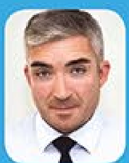
London Marriott - Canary Wharf

Wednesday May 15th. 1 hour consultation slots from 10am till 5pm.

Ramside Hotel - Durham

Wednesday May 29th. 1 hour consultation slots from 10am till 5pm.

Look forward to meeting you there.



Our very best

Mike Massey BSc (Hons)
Founder
Talking Houses NE Ltd

Martin Cockbill
Operations Director
Talking Houses NE Ltd

COMPANY DIRECTORS

YOUR HEALTH IS YOUR WEALTH!

HOW THE TAXMAN CAN CONTRIBUTE TO YOUR HEALTH

By specialist property accountant **Stephen Fay** FCA

Many landlords now operate a company, either as a property management agent, to directly own rental property, or possibly a consulting company. And, many such company owners and directors are of an age where current and future health concerns are as important as financial concerns.

This article sets out some of the ways in which a tax deduction may be gained for health-related expenditure for company owners.

Many people are more aware of the need to take care of their health as well as their finances as they get older. It's a cliché, but the phrase *your health is your wealth* is so true and we all take good health for granted at times.

However, in tax terms, costs associated with maintaining a person's overall health and wellbeing are generally considered to have a duality of purpose (meaning: are mainly private costs with only a secondary business-related aspect). So any such expenditure is treated as a taxable Benefit-In-Kind (BIK) (meaning: both the employee and the employer pays tax on the value of the benefit). However, there are some benefits that are tax-free or tax-efficient to take ...

1 ANNUAL MEDICAL / HEALTH ASSESSMENT

A company can pay for an employee's annual medical / health assessment without a taxable BIK arising. One assessment per tax year is allowed, and there is no specific limit on the cost of such a check-up. BUPA, for example, offer various medical assessments which involve a full medical (blood pressure, cholesterol, liver and kidney function, ECG heart scan, etc) plus general health review, with follow-up support and checks for certain cancer risks.

Eye tests are also allowable business expenses that don't create a taxable BIK. Spectacles are allowable expenses if confirmed by the optician as being required specifically for computer work.

2 LIFE INSURANCE

A company can purchase life insurance as a Relevant Life Policy for an employee, and the premiums are tax-deductible but without the proceeds of any pay-out being taxable as company income. Usually, such cover also includes diagnosis by a medical doctor of a terminal illness, with a pre-death payout.

A policy can be set up to cover specified individuals, or a blanket policy to cover all employees. It can be written in trust, so that any payout falls outside of the employee's estate for inheritance tax purposes. There is no specific limit to the value for a Relevant Life Policy.

3 COMPANY BICYCLE

A company can hire or lend bicycles to employees without a taxable BIK arising, as long as the bikes are available to all staff and are used mainly (50%+) for business use. Personal use is allowable, albeit no records are required to prove the general use.

The allowable cost includes the bike itself, plus bike-related equipment (helmet, lock, etc). The bike itself remains a company asset, but the cost of purchase and equipment is an allowable business expense for the company.

4 HOTELS, TRAVEL AND SUBSISTENCE

Travel and subsistence costs must be incurred wholly, necessarily and exclusively for business to be claimable as business expenses, but not treated as taxable BIKs for the employee. Travel generally means train/tube/bus fares, hotel stays, etc. Subsistence means reasonable cost/quality food and drink, rather than luxury fine-dining!

However, it's permitted to spend on travel and subsistence in a 'healthy' way – such as:

- **paying for first class train travel to allow for quiet working and relaxation**
- **choosing to stay in a hotel with a pool or gym, or one that offers quiet rooms and better bed linen to aid sleep**
- **choosing to eat in healthier restaurants**

Even if these options cost more than others, so long as the overall spend is reasonable, the costs are allowable. In other words, it's fine to derive some incidental personal benefit from travel and subsistence expenditure – there is no need to live on rice and beans and stay in a hovel when travelling on business!

5 TRIVIAL BENEFITS

Trivial benefits are low-value (<£50 each) gifts which are not deemed to be taxable by HMRC, such as flowers, occasional lunches, Christmas or leaving gifts, etc. The gift must genuinely be a gift, and therefore not part of any contract of employment or pay arrangement. Cash and vouchers are not accepted.

Again, health-related gifts could include blood pressure, cholesterol or body-fat monitors, health or gym equipment or clothes, health supplements and vitamins, etc.

For a director of a close company (a company with five or fewer shareholders), the maximum amount of trivial benefits allowed per tax year is £300.

6 STAFF ENTERTAINING / PARTY

A company can pay for staff entertaining up to £150 per person per year. Many people assume this means a night in the pub, but not necessarily! The staff entertainment could be a day in a spa or retreat of some kind, rather than a boozy night out … just a thought.

A certain property accountant and his wife, for example, have a spa day every February as a reward for another January completed!

The £150/person limit is per year, and so the total spend can be split across several events if required.

7 COMPUTERS, MOBILE PHONES, TABLETS

OK, strictly speaking, these aren't *directly* going to benefit a person's health! But there is so much information available around health/medical issues/fitness etc, it makes sense to ensure that the company pays for a decent mobile phone and computer to guarantee that it's easy to educate oneself about health matters online.

Not to mention the range of apps and fitness tracking sites that can help to monitor fitness goals, such as Zwift, Strava and Fitbit. Some fitness devices actually require a connected iPad or iPhone, or equivalent, and are Bluetooth-enabled.

Like a company bicycle, for a phone to be a tax-free employee asset, it must be owned by the company and paid for by the company. Computers and phones don't have any specific maximum value so long as it could reasonably be claimed that the items are mainly for business purposes.

8 WELFARE COUNSELLING

Unfortunately, it is the nature of property investing that encountering stressful situations is almost unavoidable. Tenants don't pay their rent/behave badly, tradesmen let you down, refurbs and developments go over budget, banks change their lending criteria overnight, and so on.

Over the years, I've seen many clients suffer with mental health issues that are caused, or made worse, by their property business.

However, a company can pay for counselling for employees for welfare issues such as bereavement, ill health or stress, problems at work, sexual abuse or personal relationship difficulties. Just as long as the offer is open to all employees and advice doesn't extend to tax/legal/financial advice.

9 WORKPLACE GYM

This is probably a long shot for most small landlords and developers, as most will be home-based. However, for those with their own business premises, ie not residential, gyms and sports facilities are tax-free to employees if the facilities are provided to all, and are not available to the general public. The exemption includes the cost of sports equipment, provision of TVs/lounge facilities and reasonable food and drink such as water, protein shakes, healthy foods etc.

10 TAX-FREE SALARIES, DIVIDENDS, INTEREST CHARGEABLE

For those expenses that are subject to a BIK tax charge, or if the employer company pays the expense, don't forget that there are ways to extract money from a company without paying personal income tax or national insurance. The funds can then be used to pay for such expenses that can't be paid for tax-efficiently by the company.

Expenses that are subject to BIK tax – and so won't normally make tax sense to be paid for by the company – include: medical insurance, medical and dental treatment, gym and sports club memberships, critical illness/income protection insurance.

IN SUMMARY …

Your health is your wealth is a phrase that many company owners will be familiar with. While good health is inherently a personal matter, HMRC do allow some provision for claiming tax-deductible expenses via a company while **NOT** creating a taxable Benefit-In-Kind (which usually makes having the company pay for the expense not worthwhile).

As ever, the tax tail should never wag the dog … ie don't spend money **JUST** to get the tax deduction unless you would in any case spend the money! But equally in these challenging tax times for property investors, we really need to take whatever tax breaks we can!

MORTGAGE UPDATE
HMO FINANCE

By **Stuart Yardley**
Trafalgar Square Financial Planning Consultants

As the market has changed, we have seen an increase in demand for HMO finance and the number of lenders offering products for these types of properties.

When looking at HMO finance, each lender has their own criteria and the financing options are very much driven by four key factors:

- **Is this already a licensed HMO, or are you turning it into a licensed HMO?**
- **Landlord's experience**
- **Valuation/purchase price**
- **Number of bedrooms**

EXISTING HMO OR CREATING AN HMO?

When you are considering purchasing an HMO, there are a few key questions that relate to how they can be financed for the initial purchase.

With the additional HMO regulation that came in last year, all properties with five or more bedrooms require licensing.

This means that if you are purchasing a property to turn into a licensed HMO, you will need the works completed and licence applied for, before an HMO lender will lend. Therefore, investors need to purchase with either cash or bridging finance, complete the conversion, apply for the licence, and only once this has been done can you apply for an HMO mortgage.

The exception to this would be if you are purchasing an HMO that is already licensed, for which specialist mortgage finance can be considered from day one.

For smaller HMOs, for example a three-bedroom/two-reception house where you plan to use one of the receptions as a bedroom to create a four-bed HMO, we can look at HMO mortgage finance from day one, even for a first-time landlord. This is assuming there are no other specialist licensing requirements in the area.

If you are converting a house into a licensed HMO, there are a few different bridging options you can consider, from the specialist bridging lenders to the banks. Precise Mortgages also have an option where they will consider a bridge to HMO lending option.

LANDLORD'S EXPERIENCE

The majority of HMO lending options do require you to already have landlord's experience. The typical criteria for an HMO up to seven/eight bedrooms is that you have lettings experience for a minimum of 12 months. There is an exception to this with Kent Reliance, who are happy to consider HMO finance for any existing property owner.

The mainstream HMO lenders will generally look at HMOs up to seven/eight bedrooms, but typically with a standard layout, so one kitchen and a communal living area.

As HMOs increase in complexity, such as larger HMOs or properties with self-contained units, the level of experience required increases as the lending moves towards commercial finance.

PURCHASE PRICE/VALUATION

Most HMO lender options require a minimum valuation of £100,000, but this is slowly improving. There are now options available for HMO finance with a minimum valuation of just under £67,000. Kent have taken the lead in this market with the minimum loan being reduced recently to £50,000.

NUMBER OF BEDROOMS

Many of the mainstream lenders will consider an HMO up to seven/eight bedrooms, that is essentially still a standard house, ie it contains one kitchen and a communal living area.

As a rule, for larger HMOs or properties with multiple kitchens or self-contained units, you are looking at the more specialist HMO and commercial lenders. For these larger HMOs, required experience will be – and this varies depending on the lender – between 12 months' HMO experience of a similar sized property, or three years' lettings experience.

HMO LENDERS

As I mentioned earlier, there is a wide range of lenders within this specialist market, from high-street lenders to specialist HMO lenders and commercial banks. So I thought I would look at a few lender examples from each sector.

Leeds Building Society

Leeds Building Society are one of the high-street lenders who have a range of products for investors looking to finance an HMO property. They have improved their criteria recently and now have a range of products for HMOs up to six bedrooms, and a new range for larger HMOs up to eight bedrooms.

Key criteria for HMOs:

- Maximum portfolio size of ten properties, irrespective of lender
- Available for properties in England, Scotland and Wales
- First applicant must be a residential homeowner and an experienced landlord
- Maximum of eight lettable bedrooms
- Minimum valuation is £100,000 or £250,000 in London
- Lending available up to 75% of the purchase price or valuation

Products include:

SMALL HMOs UP TO SIX BEDROOMS ...

75% loan to value/purchase price

- 2.59% 2-year fixed – £999 arrangement fee

70% loan to value/purchase price

- 2.39% 2-year fixed – £999 arrangement fee
- 2.79% 5-year fixed – £999 arrangement fee

LARGE HMOs OVER SIX BEDROOMS

75% loan to value/purchase price

- 3.84% 2-year fixed – £1,999 arrangement fee

70% loan to value/purchase price

- 3.69% 2-year fixed – £999 arrangement fee
- 3.84% 5-year fixed – £1,999 arrangement fee

Kent Reliance

Kent Reliance have a full range of products available for multi-let/HMO properties that have up to eight bedrooms. They are a great option for investors who are new to this specialist area and looking for a standard HMO to add to their portfolio. Properties must be set out as a standard house and have a maximum of one kitchen and communal living area.

Key criteria for Kent Reliance:

- Range of products available up to 85% loan to valuation/ purchase price
- £50,000 minimum loan if the loan to value =< 75% or a minimum loan of £100,000 if the loan to value is >75%
- Must be a residential homeowner or existing BTL landlord
- First time landlords – maximum loan to value is 80%
- Lending available in personal names or limited company
- Up to eight bedrooms acceptable
- No minimum income – self-employed must have a two-year trading history, and employed three months in their current employment
- Lending available in England and Wales only

65% loan to value/purchase price

- 3.19% 2-year fixed – 1.5% arrangement fee added
- 3.59% 5-year fixed – 2% arrangement fee added

75% loan to value/purchase price

- 3.39% 2-year fixed – 1.5% arrangement fee added
- 3.79% 5-year fixed – 2% arrangement fee added

80% loan to value/purchase price

- 3.69% 2-year fixed – 1.5% arrangement fee added
- 4.39% 5-year fixed – 2% arrangement fee added

85% loan to value/purchase price

- 4.59% 2-year fixed – 2.5% arrangement fee added
- 5.29% 5-year fixed – 2.5% arrangement fee added

Precise Mortgages

Precise Mortgages have a full range of products available for multi-let/HMO properties that have up to eight bedrooms. They are a great option for investors who have existing BTL experience and are looking to either move into this area or refinance an existing property.

Key criteria for Precise Mortgages:

- Range of products available up to 80% loan to valuation/purchase price
- £100,000 minimum purchase price/valuation, or £250,000 in London
- Must be an existing landlord with a minimum of one BTL held and let for 12 months
- Lending available in personal names or limited company
- Up to eight bedrooms acceptable
- No minimum income – self-employed must have a one-year trading history and employed three months in their current employment, with 12 months' continuous employment
- Maximum of one kitchen in the property
- Lending available in England, Wales and Scotland (some postcode restrictions)

INTEREST RATES AVAILABLE INCLUDE:

75% loan to value/purchase price

- 2.79% 2-year fixed – £995 arrangement fee added
- 3.69% 5-year fixed – 1.5% arrangement fee added

80% loan to value/purchase price

- 3.49% 2-year fixed – 1.5% arrangement fee added
- 3.84% 5-year fixed – 1.5% arrangement fee added

Precise are another good lending option for the investor who is looking to finance a simple HMO and enter this specialist market.

paragon

Paragon Mortgages are an established lender who have a full range of HMO products for the experienced landlord who have a minimum of three years' experience. They will however consider larger HMOs and properties that do have a non-standard layout, such as multiple kitchens or self-contained units.

Key criteria for Paragon Mortgages:

- Range of products available up to 80% loan to valuation/purchase price
- £100,000 minimum purchase price/ valuation for up to ten rooms
- £150,000 minimum purchase price/ valuation for up to 20 rooms
- Must be an existing landlord with three years' lettings experience
- Lending available in personal names or limited company
- Up to eight bedrooms acceptable
- Minimum £25,000 provable income required
- Self-employed/company directors must have two years' trading history
- Employed applicants must be in permanent non-probationary employment

INTEREST RATES AVAILABLE INCLUDE:

75% loan to value/purchase price

- 3.20% 2-year fixed – 1% arrangement fee added
- 3.60% 2-year fixed – no arrangement fee added
- 3.75% 5-year fixed – 0.5% arrangement fee added

80% loan to value/purchase price

- 3.99% 2-year fixed – 0.25% arrangement fee added
- 3.50% 5-year fixed – 2% arrangement fee added

Paragon are a good lender for the experienced landlord who is looking to add a larger HMO to their portfolio or refinance an existing property.

We then move onto the commercial lenders such as Shawbrook Bank, Aldermore Bank, Interbay, Cambridge and Counties.

The commercial banks will all consider HMO finance for experienced landlords, and they will be able to assist when you are looking at financing large HMOs or properties with a complex set up. They will also consider properties that contain a commercial element.

As you can see, there are many options available for when you are looking to finance an HMO, and I would recommend speaking to myself or your broker to discuss your individual circumstances.

As always, I am available to chat if you require any advice on a BTL or residential mortgage, or commercial, bridging or development finance. I work with investors throughout the country with property investment opportunities, from those buying their very first BTL property to experienced landlords, so please give me a call or send me an email.

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LEGISLATION UPDATE A REVIEW OF WHAT'S IN PLACE IN 2019

By **Mary Latham**

THIS MONTH'S UPDATES ...

- **National Rogue Landlord and Agent Register**
- **Right to Rent checks**
- **Legal challenge to protect landlords' right to use Section 21**
- **Tenant Fees Act**
- **Homes (Fitness for Habitation) Act 2018**

ROGUE DATABASES

The first name was recorded on the **National Rogue Landlord and Agent Register** in March, almost a year since it became available to local authorities in April 2018. This register is only available to local authorities, therefore the name is not in the public domain. **Telford and Wrekin Council** carried out six successful prosecutions following the formation of its rogue landlord taskforce and became the first local authority to use the national database.

In contrast, the **online Rogue Landlord Checker**, launched by Sadiq Khan in December last year and which is in the public domain, only covers London but was quickly populated by London councils and even the London Fire Brigade. It seems that local authorities are not supportive of a secret database that tenants cannot access. I wonder if the government will take this on board and open the national register to the public? We will see.

You'll find the online Rogue Landlord Checker here: **https://www.london.gov.uk/rogue-landlord-checker.**

RIGHT TO RENT CHECKS "BREACH HUMAN RIGHTS"

The Joint Council for the Welfare of Immigrants (JCWI) challenged the requirement for landlords to check a potential tenant's right to rent in the UK before offering a property to rent. They said that it was:

> ***"race discrimination against those who are perfectly entitled to rent and that there was no place for racism in the UK housing market".***

The group alleged that landlords were refusing tenants who didn't have a UK passport because they were afraid of getting the right to rent checks wrong and facing legal action.

The judge said the evidence strongly showed that the scheme was causing landlords to discriminate against potential tenants based on their nationality and ethnicity, and it would be illegal to roll it out to Scotland, Wales and Northern Ireland without further evaluation.

The Home Office defended that they had carried out an independent study, which showed there was no evidence of *"systematic discrimination"* in its policy, and that the scheme was intended to discourage illegal residence in the UK. **They were granted permission to appeal.**

At the time of writing (end of March), landlords in England are still legally obliged to carry out right to rent checks on potential tenants and should continue to do so until are told otherwise. This will need a change of primary legislation.

LEGAL CHALLENGE TO PROTECT LANDLORDS' RIGHTS TO USE SECTION 21

I have written previously about landlords failing to gain possession via the Section 21 process, where they had failed to give the tenant a copy of the Gas Safety Certificate **BEFORE** giving them the keys to the property. To be clear, this is not where landlords have failed to have a gas safety inspection carried out; it is only where they have failed to provide the certificate to the tenant at the time prescribed in **The Gas Safety (Installation and Use) Regulations 1998**:

"(3) Without prejudice to the generality of paragraph (2) above, a landlord shall—

> *(c) ensure that a record in respect of any appliance or flue so checked is made and retained for a period of 2 years from the date of that check, which record shall include the following information —*
>
> *(i) the date on which the appliance or flue was checked;*
>
> *(ii) the address of the premises at which the appliance or flue is installed;*
>
> *(iii) the name and address of the landlord of the premises (or, where appropriate, his agent) at which the appliance or flue is installed;*
>
> *(iv) a description of and the location of each appliance or flue checked;*
>
> *(v) any defect identified;*
>
> *(vi) any remedial action taken;*
>
> *(vii) confirmation that the check undertaken complies with the requirements of paragraph (9) below;*
>
> *(viii) the name and signature of the individual carrying out the check; and*
>
> *(ix) the registration number with which that individual, or his employer, is registered with a body approved by the Executive for the purposes of regulation 3(3) of these Regulations.*

(6) Notwithstanding paragraph (5) above, every landlord shall ensure that—

> *(a) a copy of the record made pursuant to the requirements of paragraph (3)(c) above is given to each existing tenant of premises to which the record relates* ***within 28 days of the date of the check****; and*
>
> *(b) a copy of the last record made in respect of each appliance or flue is given to any new tenant of premises to which the record relates* ***before that tenant occupies those premises*** *save that, in respect of a tenant whose right to occupy those premises is for a period not exceeding 28 days, a copy of the record may instead be prominently displayed within those premises."*

It seems that many landlords confuse points (a) and (b), and think that providing the Gas Safety Certificate at the start of a new tenancy or within 28 days of the start is compliant.

It will be interesting to see what the judge makes of this appeal. In the case **Trecarrel House Ltd v Rouncefield**, heard at **Exeter County Court**, the landlord is being supported by the RLA. David Smith, Policy Director of RLA said:

> *"The landlord in this case was not seeking to shirk their responsibilities and provided the certificates that were needed. We will fight to ensure that if nothing else, logic prevails."*

I have great respect for David Smith, but I am not seeing facts that will persuade a judge that a landlord who has failed to meet his legal responsibilities should be able to rely on the law to protect his rights. I know this is not a popular opinion, but there are several aspects to serving a valid Section 21. Gas safety legislation only covers one of them; each of the others also has its own legislation and therefore a tenant with a smart legal representative has the potential to challenge each element. Eg, was the EPC shown before the tenant signed the contract?

As I've covered this before I won't go into it all again but in a nutshell – if we rely on using the law to protect us against delinquent tenants, we must learn to comply with that law. Knowing how to serve a valid Section 21 and doing what we must do is fundamental, basic and not at all complicated when compared to many aspects of the legislation and regulation that cover our business. If I were defending the tenant I would ask: *"What was the point in making changes to Section 21 if we are simply going to ignore them?"* I also believe that if the landlord does win, we will be one step closer to losing Section 21 completely.

TENANTS FEES ACT 2019

We are only a month away from this massive change to our business. There are many discussions going on about ways around this legislation, but please note it has been written so that **ONLY** permitted charges can be made.

The full legislation is here:
http://bit.ly/YPN131-ML-TenantFees

It is very clear …

"For the purposes of this Act a payment is a prohibited payment unless it is a permitted payment by virtue of Schedule 1."

"Schedule 1 Prohibitions applying to landlords

(1) A landlord must not require a relevant person to make a prohibited payment to the landlord in connection with a tenancy of housing in England.

(2) A landlord must not require a relevant person to make a prohibited payment to a third party in connection with a tenancy of housing in England.

(3) A landlord must not require a relevant person to enter into a contract with a third party in connection with a tenancy of housing in England if that contract is—

> *(a) a contract for the provision of a service,*
>
> *or*
>
> *(b) a contract of insurance.*

(4) Subsection (3) does not apply if the contract is for—

> *(a) the provision of a utility to the tenant, or*
>
> *(b) the provision of a communication service to the tenant.*

(5) A landlord must not require a relevant person to make a loan to any person in connection with a tenancy of housing in England.

(6) For the purposes of this section, a landlord requires a relevant person to make a payment, enter into a contract or make a loan in connection with a tenancy of housing in England if and only if the landlord—

> *(a) requires the person to do any of those things in consideration of the grant, renewal, continuance, variation, assignment, novation or termination of such a tenancy*
>
> *(b) requires the person to do any of those things pursuant to a provision of a tenancy agreement relating to such a tenancy which requires or purports to require the person to do any of those things in the event of an act or default of a relevant person,*

(c) requires the person to do any of those things pursuant to a provision of a tenancy agreement relating to such a tenancy which requires or purports to require the person to do any of those things if the tenancy is varied, assigned, novated or terminated,

(d) enters into a tenancy agreement relating to such a tenancy which requires or purports to require the person to do any of those things other than in the circumstances mentioned in paragraph (b) or (c),

(e) requires the person to do any of those things—

(i) as a result of an act or default of a relevant person relating to such a tenancy or housing let under it, and

(ii) otherwise than pursuant to, or for the breach of, a provision of a tenancy agreement, or

(f) requires the person to do any of those things in consideration of providing a reference in relation"

I believe that landlords who take tenants from overseas or that do not meet the affordability criteria and cannot provide a qualifying UK guarantor may be covered here:

"(7) For the purposes of this section, a landlord does not require a relevant person to make a payment, enter into a contract or make a loan if the landlord gives the person the option of doing any of those things as an alternative to complying with another requirement imposed by the landlord or a letting agent.

(8) Subsection (7) does not apply if—

(a) the other requirement is prohibited by this section or section 2 (ignoring subsection (7) or section 2(6)), or

(b) it would be unreasonable to expect a relevant person to comply with the other requirement."

In my opinion, this will cover the situation where a tenant is given a choice to contract with a company who provides guarantees for a fee, like HousingHand, or alternatively pay six or 12 months' rent in advance. This is important in the student market, but also to people who are coming into the UK to work for the first time.

For everything else we will probably need to rely on **Rent Guarantee Insurance** to reduce the risks.

HOMES (FITNESS FOR HUMAN HABITATION) ACT 2018

Last but definitely not least is this legislation, which came into effect on 20th March 2019 and empowers tenants to force landlords to provide a home fit for purpose: **http://bit.ly/YPN131-ML-HomesAct.**

This legislation amends sections 8 to 10 of the **Landlord and Tenant Act 1985**.

It's very straightforward. We are required to provide a home that:

"(a) is fit for human habitation at the time the lease is granted or otherwise created or, if later, at the beginning of the term of the lease, and

(b) will remain fit for human habitation during the term of the lease."

We are not required to make good any damage done or caused to be done by tenants.

This legislation applies to all new tenancies created on or after 20th March 2019 to:

- **new tenants**
- **new tenancies offered to existing tenants**
- **tenancies which rolled into a Statutory Periodic Tenancy after 20th March**

On 20th March 2020 it will apply to all tenancies which were in place before 20th March 2019.

What does this mean for landlords?

For most of us it will make no difference at all. But there will be serious implications for landlords who rent out property that is not in good condition. A property will be judged by its condition under these headings:

- **repair**
- **stability**
- **freedom from damp**
- **internal arrangement**
- **natural lighting**
- **ventilation**
- **water supply**
- **drainage and sanitary conveniences**
- **facilities for preparation and cooking of food and for the disposal of waste water**
- **in relation to a dwelling in England, any prescribed hazard***

**"Prescribed hazard means any matter or circumstance amounting to a hazard for the time being prescribed in regulations made by the Secretary of State under section 2 of the Housing Act 2004."*

This refers to the 29 hazards under the Housing Health and Safety Rating System, found here: **http://bit.ly/YPN131-ML-HHSRSGuidance**

According to Giles Peaker of Nearly Legal, co-author of this legislation, the main difference will be where there isn't actually a disrepair in the property, but there is nevertheless an element

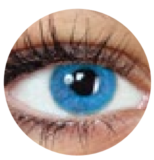
of *"unfitness"*, which might be caused by bad design such as *"no ventilation, no insulation to external walls, cold bridging and so on"*.

All these things lead to black mould and I can see many, many cases being brought because of **black mould** and the age-old **damp vs condensation** argument. Speaking to Environmental Health Officers over the years I know black mould is the bane of their lives and it's certainly a big issue for both landlords and tenants. For landlords who take care of their properties, finding them covered in mould is disconcerting to say the least. For tenants who are paying rent and ventilating and heating the property, suffering from black mould is a serious concern and a risk to health. I'm going to christen this legislation **"The Battle of the Black Mould"**.

I don't mean this disrespectfully, but I have absolutely no time for landlords or agents who allow people to live in unhealthy conditions and am angry that this continues in the 21st century. I only hope that the tenants who live in these properties will use this legislation to take action against such landlords. Yet I can't help but have a sinking feeling about tenants who see a No Win No Fee situation as a potential payday and who will cause stress and expense to good landlords.

In the meantime, we good landlords need to keep doing what we are doing, but in addition keep good records so we are always in a position to defend ourselves should the need arise. **Do not rely on your letting agents. They are paid to let and manage our properties, not protect us from unscrupulous tenants making spurious claims. It's helpful to have them as witnesses, but we must keep our own records and pay attention to anything our agents point out or suggest.**

PREVENTION REALLY IS BETTER THAN CURE … AND FAR LESS STRESSFUL.



Mary Latham is the author of ***"Property for Rent – Investing in the UK: Will You Survive the Mayhem?"***

WHO OWNS THE FENCE?

By **David Lawrenson**

When it gets windy for a few days or weeks, most people just shrug their shoulders and put their face into the wind. But landlords like me can often expect a call about a fence that has been blown down on at least one of our properties somewhere.

I have a BTL on the coast in Deal, Kent, an area that suffers from much stronger wind gusts than we have here in London. And it is always proving to be the property most vulnerable to gales.

My next-door neighbour is a retired chap who lives with his wife. They are both in their 80s and, as he always reminds me, are dependent on a pension. My tenant is a real sweetie who has been with me for 15 years.

The neighbour's view is that it is for *"Muggins the Landlord"*, ie me, to repair the fence. He says that the person who previously owned my property always repaired the fence on our side. Unfortunately, I have no way of validating this assertion because it was a probate sale back in 2006. And with the owner being deceased, there was no-one available to fill out a seller's questionnaire.

But even if the former owner had said that they were indeed responsible, would that matter anyway?

Actually, maybe. But possibly not. Because to find out whether it is you or your neighbour who is responsible for repairing or replacing a boundary wall or fence, one first needs to check your own title documents (title plan and title register). There may be a statement in there, though it is uncommon. You can download these for £3 from the Land Registry. If your title documents are not clear, the next action is to check your neighbour's title plan and register.

For more modern housing, especially on new housing estates, it is likely that the title plan attached to the first transfer of a new-built house will show internal T marks inside its boundaries. If the T marks are external, it indicates the boundary is the relevant neighbour's responsibility to repair; if internal, it is your duty. H marks, which are effectively T marks on each side, will indicate that the boundary is shared.

So far, so clear. But as this involves legal stuff, you just know that there has to be more grey areas. After all, if all was crystal clear, lawyers would have no way of making money …

It might be that the original fence has blown down, and was then replaced by a neighbour who was not originally responsible for it. By doing this, they became the owner of the new fence – it is now their responsibility to repair it. Though in the absence of a legal obligation and clear proof of past intent, they cannot be forced to do so. Again, it's back to the title documents.

In the same way, neighbours may agree to share the cost of replacing a fence that was previously only one owner's responsibility. Figuring out what they had agreed in writing in the past goes a long way towards what responsibilities they also took on for future maintenance of the fence.

In the rare case where animals are involved, it is the animal-owner's responsibility to fence their livestock in. Though this does not automatically prove the relevant fence is theirs, it raises an enhanced possibility that it is.

Some think that if the posts and rails of the fence are on one side after someone built it – and therefore own it – the "neat" side would be on the neighbour's property. But this also has the logic that an owner would erect the upright posts on his side of the boundary, and nail the boards to the horizontal rails from his side – in this case, the neat side will face the owner of the fence. So, no clarity there!

Similarly, there is no truth in the myth that the boundary on the left (or right) of a property always belongs to that property.

What happens if you cannot identify whose responsibility it is from past actions and the title documents are silent on this? This is common for pre-1970s properties, like mine in Deal.

In that case, the legal presumption is that in the absence of T marks or words confirming the position in the title documents, a wall or fence is presumed to be jointly owned and its maintenance a joint responsibility.

In the special case where a fence or hedge is next to a ditch, the legal presumption is that the landowner, before erecting the fence or planting the hedge, would dig the ditch at the boundary. The hedge or fence would have been put on the mound created by the dirt from the ditch, in which case both the ditch and the hedge would belong to that owner.

In my case, when all else failed after speaking to my neighbour, I decided to pay this time. But my verbal parting shot was that ***"if the lady on the other side of me also thinks it is for me to pay for that fence too, that would change things here for us."***

So, on the basis that good fences make good neighbours, I sent a cheque for £100 to the neighbour to pay for his man to fix the fence. I did not admit liability or say what the money was for in writing – I just stuck a cheque in the post. This way, I have protected myself from future liability, but have also saved a falling out with a neighbour over such a small amount.

David Lawrenson is the founder of LettingFocus.com and an independent expert and consultant in residential property investment. He specialises in providing independent advice on BTL and property investments. Contact him at david@lettingfocus.com

He is the author of two books: *"Successful Property Letting - How to Make Money in Buy to Let"*, and *"Buy to Let Landlords Guide to Finding Great Tenants"*.

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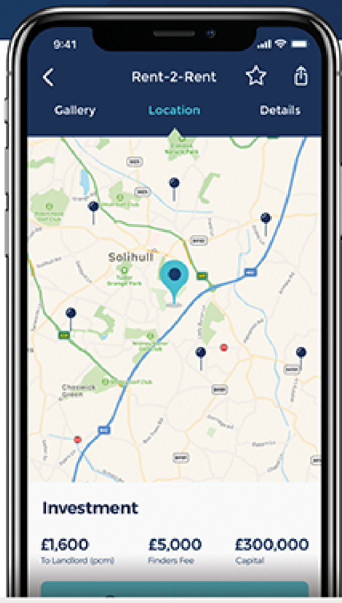

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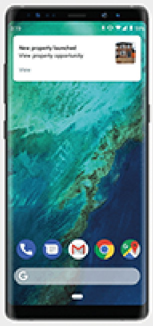

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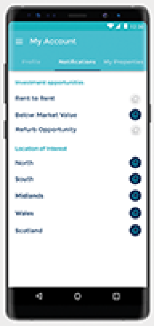

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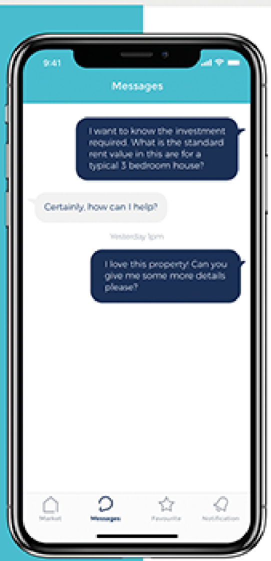

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HOW EFFICIENT IS YOUR PORTFOLIO?

By **Graham Kinnear**

Avid readers of YPN will recall that I have previously written about the Minimum Energy Efficiency Standards (MEES), which are a requirement of the 2011 Energy Act.

This month, I want to revisit the topic given that we have just passed one of those trigger dates where the legislation has undergone further change.

Experienced landlords will be aware that from 2018, houses needed an EPC score of E or better in order for a tenancy to be granted. That said, in the event where the property failed, the landlord could have applied for the property to be exempted for a five-year period if they could demonstrate that there were no free or fully funded improvements that they could take advantage of.

During 2018 and 2019, this changed. As of 1st April 2019, an exemption can now only be applied where the landlord can demonstrate that:

- **they have spent £3,500 (inc VAT) on energy improvement works and the property still does not pass**
- **the improvements could not be undertaken, perhaps due to freeholder restrictions**
- **the required improvements would reduce the value of the property by more than 5%.**

Consequently, there is likely to be a vast reduction in the number of properties that qualify for exemption.

The rules change again on the 1st April 2020. A landlord will not be able to continue to let a property to an existing tenant if it does not have an energy efficiency rating of at least band E.

If your EPC is seven or more years old you may find, even in the absence of any improvements, that the score will have changed. This is as a result to changes in the assumed thermal values, particularly of properties with solid walls. It would therefore be prudent to arrange an up-to-date inspection to assess what needs to be done to your portfolio.

Incredibly, the MEES rules do not apply to the social housing sector, something which I find confusing. If you, like me, own any ex-local authority units, it will not be lost on you that the private landlord's flat will need to comply with MEES but the freeholders' apartments in the same building will not have to comply!

Could this be an attempt to encourage landlords to hand over some of their stock to their local authority for their use?

Being an energy assessor myself, I see the value in a thermally efficient home. It reduces utility bills, increases comfort and according to a survey by Elmhurst Energy, results in lower arrears of rent.

The rules also provide for MEES being complied with in the event of a tenancy change. Such circumstances could happen to you at any time and so it makes sense to think about your plan now.

Some of the tenancy changes that will give rise to you having to ensure the property gets a band E rating include:

1. **if the tenancy is formally extended with the existing tenant or a new tenancy agreement is signed**
2. **if the tenancy ends its fixed term and becomes periodic**
3. **if an additional tenant moves into the property or if one of the tenants leaves**
4. **if the original tenant sublets the property**

If you were to fall foul of this legislation, then you could be subjected to fines of up to £5,000. The rules will be enforced by your local authority in conjunction with trading standards. In addition to the risks of a fine, I believe that lenders may present their customers with difficulties if they wish to remortgage or otherwise alter their financing arrangements when they cannot demonstrate compliance with the new rules.

I therefore urge you to review your portfolio and attend to the energy needs of each of your properties sooner rather than later. Being unable to let one or more of your properties could have an enormous impact on your rent roll and consequently the rent coverage ratios that those lenders require.

The acquisitive amongst you may see this rule change as an opportunity to source some well-priced property which currently does not have an EPC pass. Tired landlords who otherwise may have been happy to hold their property as long as the tenant remained in situ, may be willing to accept a reduced offer for their property knowing that they have some improvement expenditure to undertake if they retain the property after 1st April 2020.

As always, I am happy to assist YPN readers with any questions or queries on EPCs and the energy efficiency of buildings. I can be contacted on 01843 583000 or graham@grahamkinnear.com

Graham is the author of **"The Property Triangle"**.

YOUR HMO Q&A

With Rick Gannon

Welcome to this month's HMO Q&A. Nice and fitting that the theme of this month's edition is everything HMO.

Each month we take questions from real investors and publish them here for everyone's benefit.

If you have any questions, then please get in touch with the YPN editorial team.

Q) I want to do as much as I can to make sure that I get paid on time by my tenants. What is the best system to use that can help me with this?

A) This is very important, after all we need to make sure that we get paid! I suppose this is an it-depends-type question, as there are many systems that you can use.

The first tip would be to take the rent on the first of each month, this way you only need to chase rent once and in theory, by the end of the day you should have all rents in place. I realise that some tenants receive their income on different dates throughout the month. Even if this is the case, we still require them to pay on the 1st and it would be down to them to budget and manage their money accordingly.

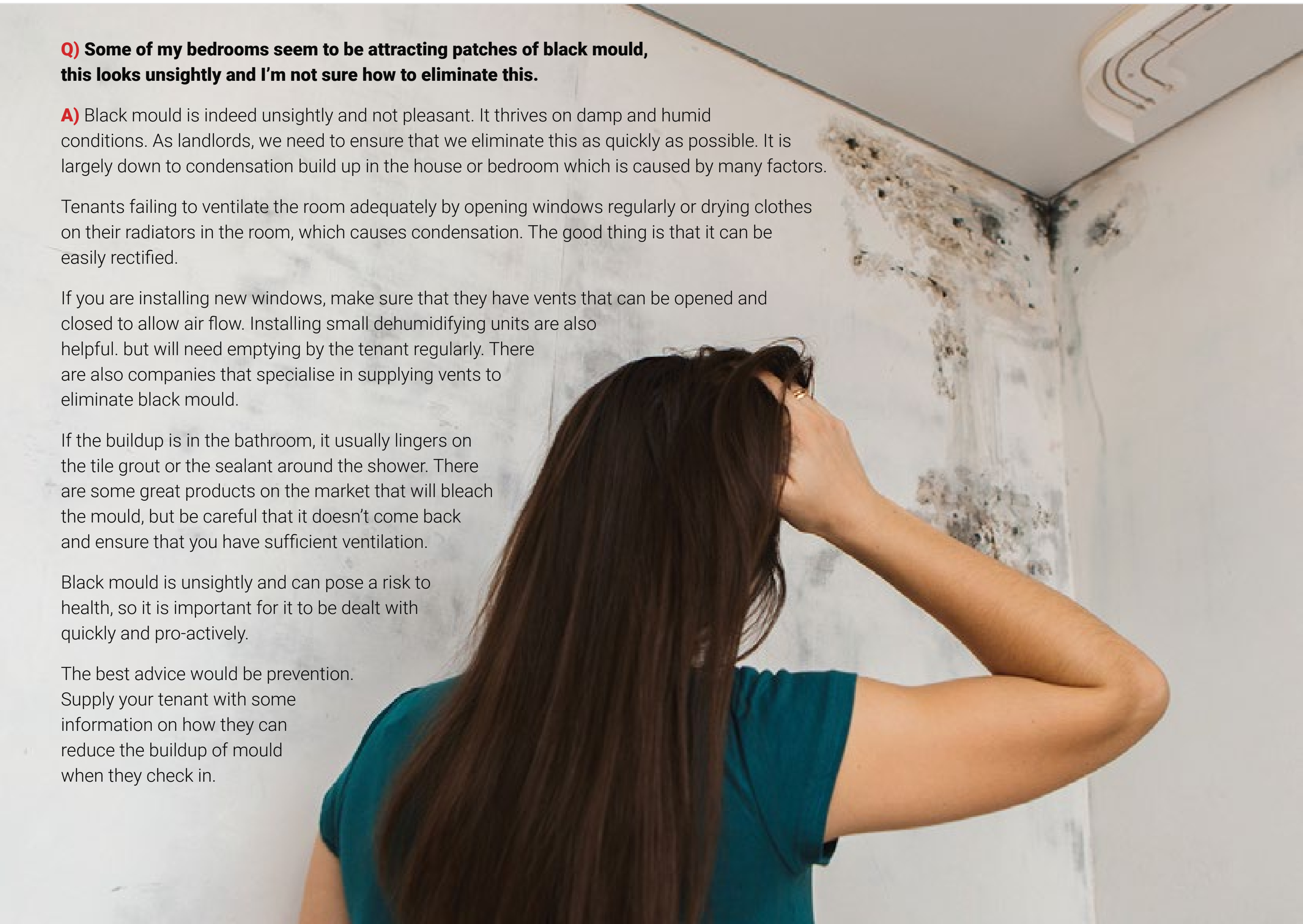
If a tenant moves in halfway through the month, then we simply work out the days left until the first and charge for the remainder. The tenant would then pay a full month the following month.

Q) Should I use a direct debit to collect rent?

A) This is a personal choice. Direct debits allow you to see if the payment is ready to be collected, and will inform you if the payment has been rejected for any reason.

Direct debit companies will charge you for this service, and if you have a large portfolio then the cost for this could begin to add up.

As an alternative, you could choose to use a standing order. This can be set up by the tenant on the day that they move in. If you contact your bank and ask for a direct debit mandate form, you could help the tenant prospect complete this on the day of the check in and forward it to the bank on their behalf. This way, you know that it has been actioned. And the best thing is – standing orders are free of charge.



Q) Some of my bedrooms seem to be attracting patches of black mould, this looks unsightly and I'm not sure how to eliminate this.

A) Black mould is indeed unsightly and not pleasant. It thrives on damp and humid conditions. As landlords, we need to ensure that we eliminate this as quickly as possible. It is largely down to condensation build up in the house or bedroom which is caused by many factors.

Tenants failing to ventilate the room adequately by opening windows regularly or drying clothes on their radiators in the room, which causes condensation. The good thing is that it can be easily rectified.

If you are installing new windows, make sure that they have vents that can be opened and closed to allow air flow. Installing small dehumidifying units are also helpful. but will need emptying by the tenant regularly. There are also companies that specialise in supplying vents to eliminate black mould.

If the buildup is in the bathroom, it usually lingers on the tile grout or the sealant around the shower. There are some great products on the market that will bleach the mould, but be careful that it doesn't come back and ensure that you have sufficient ventilation.

Black mould is unsightly and can pose a risk to health, so it is important for it to be dealt with quickly and pro-actively.

The best advice would be prevention. Supply your tenant with some information on how they can reduce the buildup of mould when they check in.

Q) My tenant has asked if she can have Sky TV and she has agreed to pay for it herself. I'm not sure if this is a good idea or not. Do I allow her to do this, or should I say no?

A) Personally, I have no issue with this and if the tenant has the account in their own name then it shouldn't cause a problem. Ensure that there is something in your contract that states they will be permitted to contract Sky TV at their own cost, and you permit them to drill holes in the wall. The only aspect I would be concerned about is the positioning of the satellite dish, ensuring that it is fitted correctly.

Please note that if the building is listed or is in a conservation area, then you may need permission from the council.

Q) I have been told many times that I need to network and tell everybody what I do. The trouble is, I am not comfortable in that type of environment. Do you have any tips for me that will make this experience more enjoyable?

A) This is a very good question and is a lot more common than you may think. I know exactly how you feel, as I used to feel the same. The very thought of chatting to a stranger caused me to want to run a mile!

Here are some of best tips to help you relax and benefit from the experience:

- **Book yourself into a local networking event. Take a look in the back of this edition for a full list.**
- **Email the event organizers and explain that you are out of your comfort zone. This will not only introduce yourself, but help them understand your feelings. It will give them the opportunity to make you feel at ease.**
- **When you arrive, make yourself known to the host. If they are a good host then they will make you feel welcome and begin introducing you to others in the room.**
- **Have a few pre-rehearsed questions to enable you to start conversations. Maybe something like: *"Hi, I'm [insert name here], pleased to meet you, what is it that you do in property?"* Or maybe an ice breaker: *"Hi, I'm [insert name here], it's my first time here, how does it all work?"***

These are just examples, but it will get a conversation flowing. Then all you have to do is simply listen. People like to talk about themselves; be interested in them and what they have to say. Let them ask questions where appropriate.

Always be polite and unchallenging. If you are brand new to investing, then don't be afraid to tell people. A great tip is to just be totally honest and transparent and don't feel embarrassed if you have no experience, we all have to start somewhere!

Networking is very powerful and can really help you grow your business. Like anything, all you have to do is put one foot forward and get a meeting booked in … go on, do it now!

Q) I have just completed my first HMO refurbishment and I am now looking to furnish the property. Can you give me some pointers on what to include please?

A) This will largely depend on your spec, but here are a few pointers that you may find useful:

Kitchen – 2 x tall fridge-freezers enabling each tenant to have their own shelf, 1 x washing machine, 1 x separate tumble dryer.

Living room – 1 x wall-mounted TV, 1 x coffee table, 2 x couches.

Bedrooms – 1 x double bed (or single to suit), we use metal frame beds as they are very durable and allow storage underneath, a good quality divan bed also looks great, 1 x good-quality mattress that will last, 1 x bedside table, 1 x chest of drawers, 1 x wardrobe, 1 x desk, 1 x chair.

If you are going for a high-spec property, then this will change accordingly.

A great tip is to use a company that will come to the property and construct all the furniture for you, and take away the rubbish. This gives you huge leverage and allows you to focus on other tasks.

Shops like Dunelm have some very reasonably priced bric-a-brac and soft furnishings.

That's it for this month. Please keep the questions coming in and if you need to reach out to me, then feel free to email me at **rick@newerapropertysolutions.co.uk** or drop me a line in the office on **01886 834800**.

See you back here next month! *Rick*

Rick is the author of **"House Arrest: A Practical Guide on How to Replace Your Income through Property Investing".**

WHAT ARE LANDLORDS' BIGGEST WORRIES IN 2019?

By **James Davis**,
Founder & CEO, Upad.co.uk

The property industry is ever-changing, with constant new challenges and issues to overcome – not least because of legislative changes. In 2019, the UK is still facing an uncertain economic outlook and, of course, Brexit.

A recent Upad survey looked into the issues keeping landlords awake at night.

Here's what they're worried about ...

TAX CHANGES

Over 32% of landlords said tax changes are their biggest concern. Big changes already took place in 2018 and more are on the way in 2019.

One of the major things landlords are still getting used to is the reduction in mortgage tax relief. Last year, the relief was reduced to 50% with landlords receiving a 20% tax credit on the remaining 50% of their payments. In 2019, the relief will drop further down to 25%, before being scrapped altogether in 2020. This can have a big impact on rental profits and leave landlords with no other choice than to increase rents.

COMPLIANCE

Landlords were also worried about compliance issues, with 22% mentioning it in our survey. With the government constantly updating rules and regulations, staying on top can get daunting.

The big regulatory changes include:

- **The tenant fees ban**
- **Letting agents must register with an approved Client Money Protection Scheme**
- **Homes Fitness for Human Habitation Act poses tighter rules on the condition of the property.**

RENT ARREARS

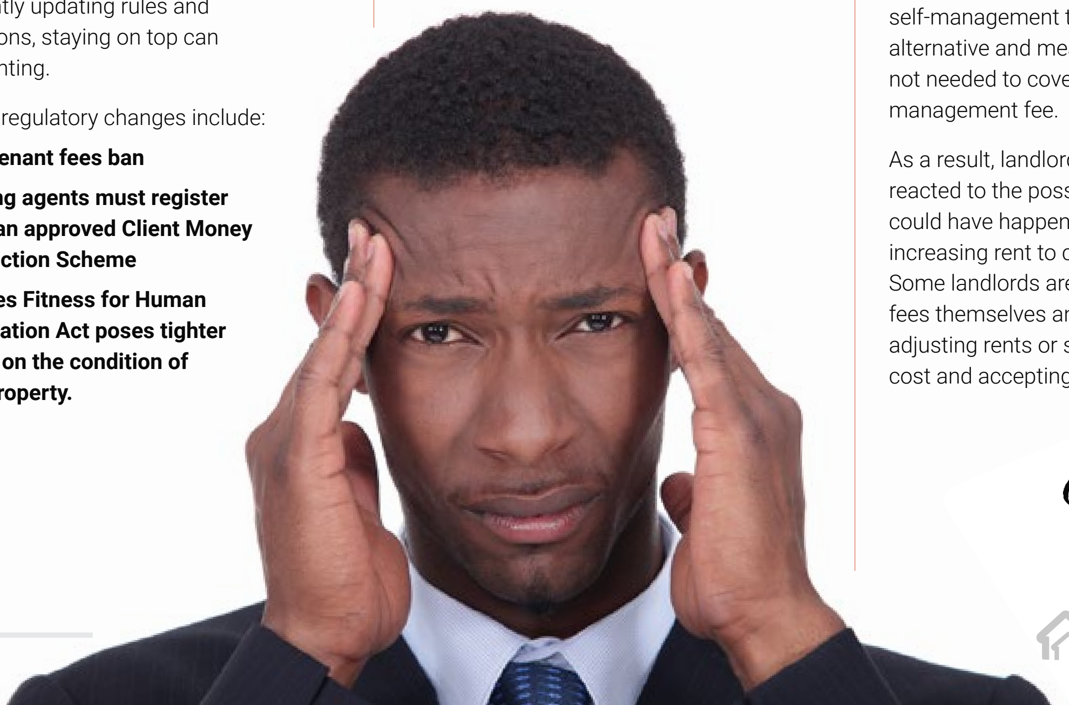
It goes without saying that landlords want to be paid on time and without worry. In our recent survey, 18% mentioned rent arrears as their top concern.

According to the National Debtline, enquiries relating to rent arrears have increased by 84% in the past four years. The cost of living is rising and wages are not increasing fast enough to keep up.

When tenants do end up having problems with late payments, the answer is not just to show them the door straight away, although you might end up having to do that eventually. Communication is key. It's important to talk about the issue with your tenants and find solutions. This can be easier if you can act quickly – it's a good idea to have a system in place that alerts you if payments don't get through.

VOID PERIODS

Not being paid on time is the least of your worries when you don't even have a tenant. Void periods were the biggest worry for nearly 14% of our landlords, and according to the Office for National Statistics, landlords often choose to charge lower rent in order to avoid void periods. The best way to avoid voids is to keep good tenants for longer. If you can keep them happy by keeping the property in order and maintaining a reasonable rent, you are less likely to find yourself with voids.



Of course, many people don't want to rent forever and circumstances will force them to move. This is why you want to ensure:

- **You always have paperwork ready for when you have to let out the property.**
- **You maintain the property in good condition and regularly check that everything is working as intended.**
- **You keep an eye on the market. You want to get the price and target audience right**.

BREXIT AND UNIVERSAL CREDIT

Our survey also allowed landlords to pick other big worries they might have in 2019. Unsurprisingly, Brexit was a common concern. Brexit could not only impact the house prices but also change the rental market by reducing demand. There have even been reports of some landlords already refusing to let to EU nationals on the basis they are looking to avoid potential future disruption.

One other major concern is Universal Credit. One respondent talked about the uncertainties and confusion the switch is causing, writing: *"The landlord can't speak to UC easily and has to keep trying to get the tenant to explain what they need and they often don't understand what that is"*. It's important to be proactive in this matter and learn about the impact.

The Tenant fees ban not a major concern. What's interesting is how few landlords – just 2% – named the upcoming tenant fees ban as a big concern. This might be for various reasons.

First, landlords might already be self-managing their properties. This reduces the need to impose major charges, as self-management tends to be a cheaper alternative and means a higher rent is not needed to cover what is paid as a management fee.

As a result, landlords might have already reacted to the possible change. This could have happened in the form of increasing rent to cover up the charges. Some landlords are prepared to pay the fees themselves and therefore, they are adjusting rents or simply soaking up the cost and accepting a reduced rental yield.

James

COMMERCIAL TO RESIDENTIAL CONVERSIONS

THE ESSENTIAL MANUAL FOR PROPERTY DEVELOPERS

BY MARK STOKES

Perhaps you are just starting out in property, or have some experience and want to get into development. The central parts of this book are Mark's 12 core fundamental steps, which developers must take.

Being a manual, the book is quite lengthy so I'll take the liberty of only sharing a few key points from each chapter and let the reader delve deeper.

In **part one**, Mark defines his characteristics and beliefs including full immersion, intent listening, humility and calmness under pressure. It's his view that anything is possible if your attitude, approach and courage can cope with all the twists and challenges.

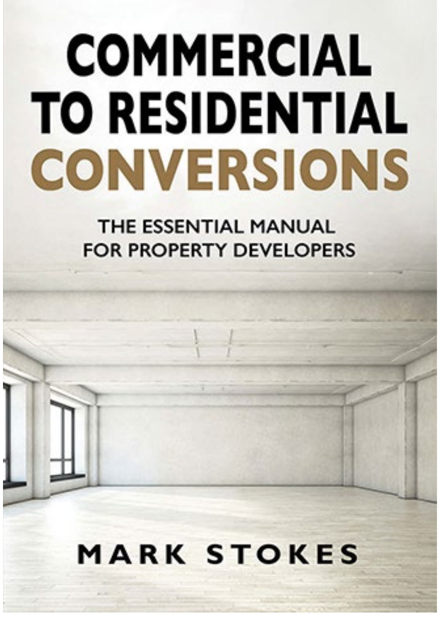
After his degree in construction, he enjoyed tremendous success in his 26 years in corporate business, construction and strategy. He began to feel that some things were missing from life though, including the freedom to define his own path and spend enough time with family.

Because he had worked on large-scale projects during corporate life, large-scale commercial conversion became his strategic goal when he retired from this field. He describes the concept of risk early in the book, suggesting it's something that a developer needs to embrace and manage, aided by professional teams. He encourages the concept of walking a mile in some else's shoes to really understand their viewpoint, particularly applying to lenders, contractors and buyers.

Part two describes the 12 core principles which help you manage your developments effectively. Section 1 starts with **you**, the person who must have clear goals, vision, passion and a strong why. You must create a master plan and strive for excellence. And it's essential to develop the knack of decision-making and risk management whilst demonstrating leadership and protecting your reputation.

In the next section, Mark covers **strategy** and introduces the first of several useful diagrams. Starting with your goals will allow you to work in tandem with your overall strategy.

Section 3 covers **finding** the right building, with location being hugely important on scheme viability. The building itself should be assessed to seek opportunity and end value. Finding sites could be a combination of market or off-market deals, with the latter having reduced competition. Regardless of how you find the deal, you are looking to force appreciation through a variety of means, which are described in detail.



In section 4 on **due diligence**, Mark encourages the reader to develop a systemised process, which becomes your checklist. Mark refers to their due diligence as "bank grade" for obvious reasons. A key aspect is having a comprehensive development analyser, otherwise known as a spreadsheet, which will have a multitude of components. The section also covers sensitivity analysis, assembling a professional team, as well as risks associated with conversion versus new build.

In the next section, Mark discusses **planning**, and it's strongly recommended that the reader engages with a planning consultant. There is a useful table discussing risk/reward of different types of developments provided. He considers the rationale for planning, the roles of a planning consultant and funder finance. Managing the risk of gaining planning can be mitigated through conditional offers. A case study provides further details. Securing full planning is then described and illustrated with another case study. Also discussed in this section are the concepts of permitted development and where they apply.

Section 6 is about **valuations**, and introduces the concept of a RICS red book valuation. He looks at the common dilemmas that developers face regarding when to seek valuations. Lenders will also request further due diligence via a quantity surveyor (QS), at the developer's cost.

The next section is about **funding** and Mark suggests that readers engage with the right commercial broker. Other forms of finance are also discussed in detail with their relative pros and cons.

Section 8 describes the **economics** of development and includes concepts of risk, tax, VAT, and capital allowances. Section 9 covers **legal completion**, highlighting that legalities of commercial completion are more detailed/complex.

The next section is about **business**, with a focus on how to set up correctly. He discusses directors, shareholders, business bank accounts and defining/designing your product. The final parts of this section cover the all-important marketing and showcasing of your product to realise your hard-earned profits.

Section 11 highlights aspects of **construction**, which can be daunting for some. Mark argues that with a few simple systems and the right team, most of these challenges can be overcome. The construction phase can be split into pre- and post-contract, and Mark covers aspects of each phase in detail to include procurement, funding, handover and warranties.

The final section on **exit** recommends a minimum of two exit strategies, depending on the business structure and objectives eg selling, help to buy, or holding for rental income. Whichever route the investor chooses, they need to understand the nuances of the freehold and leasehold system.

The final sections of the book include **demystifying calculations** and a useful **glossary of terms**, which will be particularly useful to development newcomers.

WHO IS THIS BOOK FOR?

This book is not a light read. Mark has written it as a manual or reference book. I would suggest that after a quick skim-read, the serious developer needs to deep dive into each chapter to unravel the plethora of detailed information. There are plenty of case studies to help readers understand the complexities.

Mark has a corporate background and significant experience in property development, so readers may find the language difficult to grasp at times. There is a lot of terminology and many acronyms, but these are essential to understand the world of property development.

Book reviewed by:

Raj Beri

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HOW TO TIME THE MARKET WITH THE BEND AT THE END

By **Marcus de Maria**

In last month's edition of Your Property Network, we made sure that readers would always go <u>with</u> the trend, not against it. After all, the trend is your friend.

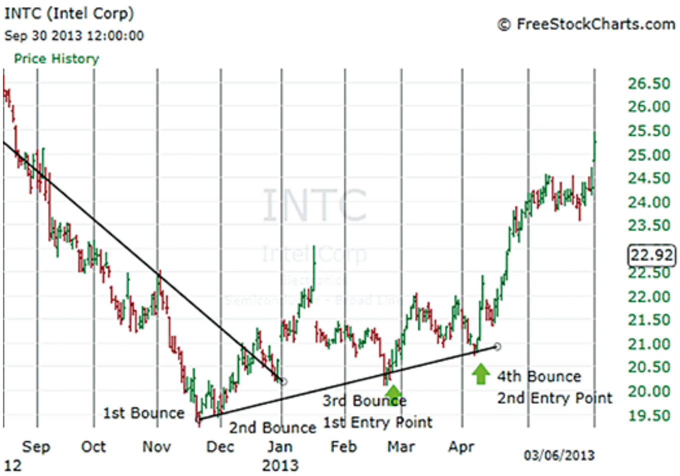
Meaning that if the trend is going up, we would not sell short to enter the trade, but would buy into it. If the trend was going down, we would not buy to enter the trade but would look for a short position. However, if there was no clear trend up or down, and instead it was going sideways, we could do both. Sell short at the top, or buy at the bottom to enter.

But how do we time the market to know when a trend has finished? The answer is this:

"The Trend is your friend ... until the bend at the end!"

Let us take a look at the example below. INTC (Intel) clearly has a downward trend from May. Both the highs and lows are getting lower. This means we shouldn't buy the stock, as we have no idea when this downward trend is going to stop. But where do you get in?

As you can see, in 2013, INTC suddenly changed direction and started to go up.



The lowest point is below 19.60 in late November, the ideal time to get in. As much as I would like to say that we could have timed the market perfectly, this is much easier said than done.

The truth is, we don't know that the turn has occurred, until it has already happened. As explained in an earlier month of Your Property Network, we are looking at three bounces to be sure that a new trend is in progress.

The two bounces at the end of November allowed us to draw a line which then hit the low in February. At around 20.30, this was our third bounce, and therefore the signal to get in using a stop order, ie when it bounces back up. If we had missed this for any reason, the fourth bounce at around 21.00 would have been another chance to get in.

Let us look at another example below. IRF was trending up in January, February and March. We felt that it had gone up a lot, and would turn at some point. But we couldn't just sell short as we didn't know when it was going to turn.

Suddenly, it started to change direction. The high was around 24.77, an ideal place to sell short, but we only knew that with hindsight. This high turned out to be the first bounce. But it wasn't until the second bounce in late March at 23.10 that we thought the trend might have turned.

But we need to be sure. We cannot start selling short until we get confirmation.

The line connecting the first two bounces extends and is hit in May at 22.40. This is a chance for us to get in with a stop order, which gets us in only if the stock turns and goes back down.

And this is indeed what happened (see chart below).

It is almost as if everyone was waiting for the same entry point. As soon as the third bounce occurs, there is a sudden drop, leaving a gap. A gap is where the price closes at one point and opens the next day at a point so far away from the close price that a gap occurs in the chart.

10% and more were achieved in a day, and the stock continued down for several months for approximately 33% gain.

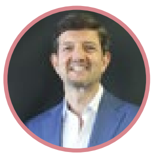
What does this tell us? It tells us that we don't need to know exactly where the top is to be able to make money. This is just as well, because no-one knows exactly where the top or the bottom is going to be until after it has occurred.

To summarise:

Be patient until the right time to get in. Don't go against the trend. Wait for it to stop and reverse. Remember: the trend is your friend ... until the bend at the end.

If you see a stock heading in one direction, do not assume that it is going to turn and try to time the market to get in. You have no idea when or how long the trend is going to continue. Therefore, wait until we get confirmation that the trend is over. It is not enough that the stock starts to turn and go in the opposite direction.

Until next month *Marcus*



In these times, it is wise for you to learn more about what trading and investing in stocks, commodities and precious metals has to offer. We are having a series of one-day events where we go through the strategies, so you can take control of your own finances. But first, why not go ahead and download your FREE STRATEGY REPORT: www.investment-mastery.com/ypnmagbook

THE BEST STRATEGY FOR 2019 PART 3

Simon Zutshi

In my last two YPN articles, I have shared why I believe purchase lease options (PLOs) are one of the best strategies or tools to use in 2019. In this final part of the article, I am going to explain why PLOs are perfect for if you want to source property deals to sell to other investors for a fee.

Before I get into too much detail, just in case you did not see Parts 1 and 2 of this three-part article, let me quickly explain what we mean by PLOs and how they can benefit everyone involved.

A PLO is a legally binding agreement with a property owner, where you have the right, but not the obligation, to purchase their property, for a fixed price agreed upfront, within a certain time period. In the meantime, you pay them a monthly option fee, and in return, you are entitled to use the property. There is also an upfront option fee required to make it a legally binding agreement. This upfront fee can be anything from as little as £1 but can also be several thousand pounds in some circumstances.

During the option period, you look after the property as if it were your own and are responsible for all of the maintenance. For example, you might have the right to buy a property for the current market value of £200,000, any time within the next five years. In the meantime, you pay the owner a guaranteed monthly rent and take care of all the bills, repairs and maintenance.

You could then rent this property out in a way to generate a much higher income, maybe as an HMO or serviced accommodation, and you make a profit on the difference between the rent you pay to the owner and the rent you achieve, less all the bills. This is cash flow for a property that you don't own.

MAKE MONEY SELLING PLOs

PLOs are a very powerful tool which you can use to control property. But what do you do if you find a landlord who is happy to enter into a PLO, but the property is either out of your area or will not work for the investing strategy that you are pursuing? Well, one of the best things about PLOs is that they are assignable. That means you can pass the benefit of the PLO onto a third party, perhaps for a fee. You could package it up to make £3,000-£5,000 for a property deal that you don't want.

For people who are new to property investing, a popular way of making money is to source property deals for other investors and sell them on. This can be a great way to generate enough cash for a deposit to buy your own investment property. When sourcing property to sell to other investors, it is really important to secure the deal, so that no one else can purchase it. The best way to secure properties when sourcing deals is with a PLO.

HOW MUCH IS A PLO WORTH?

A good PLO can be worth a lot of money and sell for more than a normal sourced property deal. Why? Well, remember that the person buying the sourced PLO deal won't need a mortgage or a large deposit. Thus, the return on investment they get could be much higher than a purchased property.

The value of a PLO will depend on three factors:

1. **The amount of cash flow generated from the PLO each month**
2. **The length of the option period**
3. **The equity in the property from day one, if any**

Let's consider two examples. Property A is worth £200,000 in the current market. Assume you have an option to buy this property for £190,000 at any time within the next three years. It generates £400 profit per month. How much would you pay for this PLO if it was in your investing area? What is it worth?

I would say that the value is as follows …

The monthly cash flow multiplied by the number of months you have the PLO for, plus any equity on day one. The current value would therefore be **((£400 x 36) + £10,000) = £24,000**. This does not include any future capital growth during the options period, which may or may not happen.

Property B is currently worth £150,000. Imagine that you have the right to purchase this property for £155,000 any time within the next seven years. The profit is £500 per month. How much would you pay for this PLO? How much is it worth?

I would calculate the current value as follows …

The monthly cash flow multiplied by the number of months, plus any equity on day one. The value would be **((£500 x 84) - £5,000) = £37,000**. Note that the option price is £5,000 more than the current value, and so we have taken £5,000 off the current value. However, in seven years' time there is a good chance that the value of this property could be significantly higher than the current price of £150,000.

I have often shared the above example at live events and have asked the audience what they would pay for the PLO on Property B. The response from the audience is fascinating.

Some people would only pay a few thousand pounds for this PLO. Most would pay up to £6,000, as that is the cash flow for the first year. Whenever I do a PLO, I like to get all of the money I have invested back in the first year. In other words, I want a 100% ROI.

But some people would have been prepared to pay up to £20,000 for the PLO on property B. Why? Because they believe the value would increase significantly over the seven years. They also know that they would still get over a 100% ROI over the seven-year option period, even if prices did not go up. It just goes to show that different people attribute different values to property deals.

Don't assume everyone is the same as you.

THIS CAN MAKE YOU MONEY

This is a really important point that I want you to understand, because you can make a lot of money from it. Most people have no idea of what PLOs are worth. You could find someone who has secured the PLO on Property B, but for whatever reason they don't want to do it themselves. They may be very happy to sell it for £5,000.

You could then find another investor who understands the value of the deal and would pay £15,000 for it. You can sit in the middle and make £10,000 by putting these two investors together. If you were to sell just one PLO per month, how would that change your financial position?

What about PLOs where there is no cashflow or equity in the deal? Who would buy them?

Most investors would probably not want to buy that deal, but you could always sell them on to tenant buyers. These are people who would love to get their foot on the property ladder, aren't able get a mortgage right now, but would be able to in the future. They can move into the property with the right to buy in the future at a fixed price. In the meantime, they pay the mortgage for the owner and take care of the property as if it were their own. They would pay an upfront option fee, of say £5,000, which would come to you for facilitating the deal. This is another great way to monetise PLOs that many investors are not aware of.

I do hope that these articles over the past three months have helped explain why I believe that PLOs are such a powerful strategy and perfect for the current market conditions. We are seeing many landlords thinking about retiring early, due to changes such as the introduction of Section 24, meaning that higher-rate tax paying landlords with property in their own name will be paying more tax.

There has never been a better time to use the PLO strategy, and yet it is a massively misunderstand strategy. Many investors have no clue about how to use it properly.

This is why I am writing a new book all about PLOs, which should be available in the next few months. If you would like to be one of the first people to be notified when this book is available, or benefit from some free bonus training for those who buy the book when it is first released, then you can register your interest here:

www.NoMortgageRequiredBook.co.uk

Invest with knowledge, invest with skill

Kind regards,

Simon Zutshi

- Author of Property Magic
- Founder of property investors network

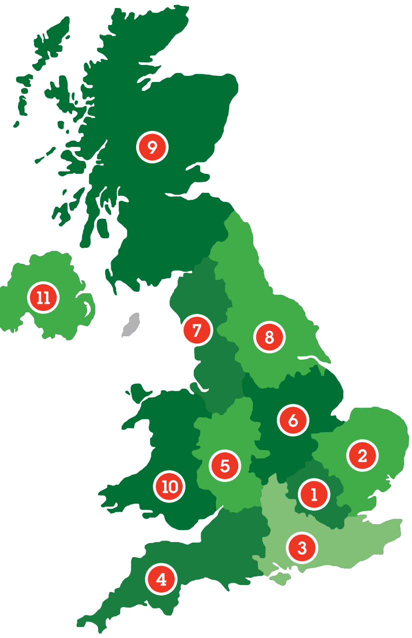
THE YPN JARGON BUSTER

A list of the abbreviations and tech-talk used in this month's YPN – and more …

ACV	Asset of community value
ADR	Alternative Dispute Resolution
AI	Artificial intelligence
APHC	Association of Plumbing and Heating Contractors
ARLA	Association of Residential Letting Agents
Article 4	An Article 4 Direction removes permitted development rights within a specified area designated by the local authority. In many cities with areas at risk of 'studentification', there are restrictions on creating HMOs so you will have to apply for planing permission. Check with your local planning authority.
AST	Assured Shorthold Tenancy
AT	Assured tenancy
BCIS	Building Cost Information Service – a part of RICS, providing cost and price information for the UK construction industry.
BCO	British Council for Offices
BIM	Building information modelling
BMV	Below market value
BRR	Buy, refurbish, rent out
BTL	Buy-to-let
BTR	Build-to-rent
BTS	Buy-to-sell
CCA	Consumer Credit Act
CDM	Construction Design and Management
CIL	Community Infrastructure Levy - The Community Infrastructure Levy is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. It came into force on 6 April 2010 through the Community Infrastructure Levy Regulations 2010. (Source: planningportal.co.uk)
CIS	Construction Industry Scheme – Under this, contractors deduct money from a subcontractor's payments and pass it to HMRC. These deductions count as advance payments towards the subcontractor's tax and NI. Contractors must register for the scheme. Subcontractors don't have to register, but deductions are taken from their payments at a higher rate if they're not registered.
CGT	Capital gains tax
CML	Council for Mortgage Lenders
CPD	Continuing Professional Development
CPT	Contractual periodic tenancy
CRM	Customer relationship management (eg, CRM systems)
CTA	Call to Action
Demise	A demise is a term in property law that refers to the conveyance of property, usually for a definitive term, such as premises that have been transferred by lease.
DHCLG	Department of Housing, Communities and Local Government (formerly DCLG – Department for Communities and Local Government)
DoT	Deed or Declaration of Trust
DPS	Deposit Protection Service
EHO	Environmental Health Officer
EIS	Enterprise Investment Scheme
EPC	Energy performance certificate
FCA	Financial Conduct Authority
FHL	Furnished holiday let
FLEEA cover	Insurance cover for Fire, Lightening, Explosion, Earthquake and Aircraft impact, but no other perils. Some times issued for a property that has been empty for some time
FPC	Financial Policy Committee
FRA	Fire risk assessment
FSCS	Financial Services Compensation Scheme
FTB	First time buyer
GCH	Gas central heating
GDP	Gross domestic product
GDPR	General Data Protection Regulation
GDV	Gross Development Value
GOI	Gross operating income
HB	Housing benefit
HHSRS	Housing Health and Safety Rating System
HMO	House of Multiple Occupation
HNWI	High Net Worth Individual a certified high net worth investor is an individual who has signed a statement confirming that he/she has a minimum income of £100,000, or net assets of £250,000 excluding primary residence (or money raised through loan a secured on that property) and certain other benefits. Signing the statement enables receipt of promotional communications exempt from the restriction on promotion on non-mainstream pooled investments. (Source: FCA)
HP	Hire Purchase
HSE	Health and Safety Executive
ICR	Interest Cover Ratio
IFA	Independent financial advisor
IHT	Inheritance tax
JCT (contract)	Joint Contracts Tribunal – produce standard forms of construction contract, guidance notes and other standard forms of documentation for use by the construction industry (Source: JCT)
JV	Joint venture
JVA	Joint venture agreement
KPIs	Key Performance Indicators
L8 ACOP	Approved Code of Practice L8 – Legionella Control and Guidance
LACORS	Local Authorities Coordinators of Regulatory Services
LHA	Local Housing Authority
Libor	London Inter-Bank Offered Rate
LLP	Limited Liability Partnership
LTV	Loan To Value
MCD	Mortgage Credit Directive (European framework of rules of conduct for mortgage firms)
MVP	Minimum viable product
NALS	National Approved Letting Scheme

NICEIC	National Inspection Council for Electrical Installation Contracting
NLA	National Landlords Association
OIEO	Offers in excess of
OMV	Open market value
ONS	Office for National Statistics
PBSA	Purpose-built student accommodation
PCOL	Possession claim online
PD	Permitted Development / Permitted Development rights – you can perform certain types of work on a building without needing to apply for planning permission. Certain areas (such as Conservation Areas, National Parks, etc) have greater restrictions. Check with your local planning authority.
PInsurance	Professional Indemnity insurance
PLO	Purchase lease option
PM	Project manager
PRA	Prudential Regulation Authority – created as a part of the Bank of England by the Financial Services Act (2012), responsible for the prudential regulation and supervision of around 1,500 banks, building societies, credit unions, insurers and major investment firms. (Source: Bank of England)
PRC	Pre-cast reinforced concrete. Often used for residential construction in the post-WW2 period, but considered as non-standard construction and difficult to mortgage. Most lenders will not lend unless a structural repair has been carried out in accordance with approved PRC licence, supervised by an approved PRC inspector. Legal evidence of the repair is issued in the form of a PRC Certificate of Structural Completion. (Source: prchomes.co.uk)
PRS	Private Rented Sector
R2R	Rent-to-rent
REIT	Real Estate Investment Trust
RGI	Rent guarantee insurance
RICS	Royal Institute of Chartered Surveyors
RLA	Residential Landlords Association
RoCE	Return on Capital Employed
ROI	Return on Investment
RP	Registered Proprietor, refer ring to the name on the title of a property Land Registry
RSJ	Rolled-steel joist – steel beam
RTO	Rent to Own
RX1	Form used to register an application to the Land Registry to place a restriction on the legal title of a property to protect the interests of a third party. The restriction will prevent certain types of transaction being registered against the property (eg, sale, transfer of ownership or mortgage)
S8 or Section 8	Named after Section 8 of The Housing Act 1988. A Section 21 Notice (or Notice to Quit) is served when a tenant has breached the terms of their tenancy agreement, giving the landlord grounds to regain possession. Strict rules apply. See https://www.gov.uk/evicting-tenants/section-21-and-section-8-notices for up-to-date information.
S21 or Section 21	Named after Section 21 of The Housing Act 1988. You can use a Section 21 Notice (or Notice of Possession) to evict tenants who have an assured shorthold tenancy. Strict rules apply. See https://www.gov.uk/evicting-tenants/section-21-and-section-8-notices for up-to-date information.
S24 or Section 24	Section 24 of the Finance Act (No. 2) Act 2015 – restriction of relief for finance costs on residential properties to the basic rate of Income Tax, being introduced gradually from 6 April 2017. Also referred to as the Tenant Tax'.
S106 or Section 106	Section 106 agreements, based on that section of The 1990 Town & Country Planning Act, and also referred to as planning obligations, are private agreements made between local authorities and developers. They can be attached to a planning permission to make acceptable development that would otherwise be unacceptable in planning terms. Planning obligations must be directly relevant to the proposed development and are used for three purposes: 1. Prescribe the nature of development 2. Compensate for loss or damage created by a development 3. Mitigate the impact of a development (Source: planningportal.co.uk)
SA	Serviced Accommodation
SAP (assessment)	Standard assessment procedure
SARB	Sale and Rent Back
SDLT	Stamp Duty Land Tax
SI	Sophisticated Investor (Source: FCA) **Certified:** individual who has a written certificate from a "firm" (as defined by the FCA) confirming he/she is sufficiently knowledgeable to understand the risks associated with engaging in investment activity. **Self-certified:** individual who has signed a statement confirming that he/she can receive promotional communications from an FCA-authorised person, relating to non-mainstream pooled investments, and understand the risks of such investments. One of the following must also apply: (a) **Member of a syndicate of business angels for at least six months;** (b) **More than one investment in an unlisted company within the previous two years;** (c) **Working in professional capacity in private equity sector or provision of finance for SMEs;** (d) **Director of a company with annual turnover of at least £1m within the previous two years.**
SIP(s)	Structural integrated panels
SME	Small and Medium-sized Enterprises
SPT	Statutory periodic tenancy
SPV	Special Purpose Vehicle – a structure, usually a limited company, used when more than one person invests in a property. The legal status of the SPV protects the interests of each investor.
SSTC	Sold Subject To Contract
TPO	The Property Ombudsman
UC	Universal credit
UKALA	The UK Association of Letting Agents
USP	Unique selling point
VOA	Valuation Office Agency

NETWORKING EVENTS



ZONE 1

Blackfriars pin
4th Tuesday of the month
Crowne Plaza 19 New Bridge Street Blackfriars London EC4V 6DB
Host: Fraser MacDonald
www.blackfriarspin.co.uk

Canary Wharf pin
1st Thursday of the month
De Vere Conference Suite No. 1 Westferry Circus London E14 4HD
Host: Samuel Ikhinmwin
www.canarywharfpin.co.uk

Clapham pin
1st Tuesday of the month
Landor Space 70 Landor Road Clapham London SW9 9PH
Host: Stuart Ross
www.claphampin.co.uk

Croydon pin
3rd Wednesday of the month
Jurys Inn Croydon Hotel Wellesley Road Croydon CR0 9XY **Host:** Stuart Ross
www.croydonpin.co.uk

Kensington pin
2nd Wednesday of the month
The Rembrandt 11 Thurloe Place South Kensington London SW7 2RS
Host: Marion Watts
www.kensingtonpin.co.uk

Regent's Park pin
3rd Tuesday of the month
Holiday Inn London Regents Park Carburton Street London W1W 5EE
Host: Irene Anggard Agnell
www.regentsparkpin.co.uk

Sutton pin 2nd Thursday of the month
Holiday Inn London Sutton Gibson Road Sutton Surrey SM1 2RF
Hosts: Johanna and Peter Lawrence
www.suttonpin.co.uk

PPN London St. Pancras 01/05/2019
WeWork Kings Place 90 York Way London N1 9AG **Hosts:** Jamie Madill & Steve Mitchell
progressivepropertynetwork.co.uk/stpancras

PPN London Knightsbridge 14/05/2019
Leo Nova South, 160 Victoria Street Westminster London SW1E 5LB.
Host: Pippa Mitchell
progressivepropertynetwork.co.uk/knightsbridge

PPN Blackfriars 13/05/2019
Crown Plaza 19 New Bridge St London EC4V 6DB **Host:** Kevin McDonnell
progressivepropertynetwork.co.uk/mayfair

PPN Canary Wharf 16/05/2019
De Vere Canary Wharf 1 Westferry Circus E14 4HD **Hosts:** Kal Kandola and Diksesh Patel
progressivepropertynetwork.co.uk/canary-wharf

PPN Mayfair 23/05/2019
The Washington Mayfair 5 Curzon St Mayfair London W1J 5HE
Host: David Seigler
progressivepropertynetwork.co.uk/mayfair

PPN Bank 02/05/2019
Brand Exchange Members Club 3 Birchin Ln London EC3V 9BW
Host: Michael Primrose
progressivepropertynetwork.co.uk/bank

Premier Property Club - Islington
2nd Wednesday of the Month
Double Tree Hilton Hotel 60 Pentoville Road N1 9LA **Founder:** Kam Dovedi
premierpropertyclub.co.uk/islington

Premier Property Club - Knightsbridge
3rd Wednesday of the Month
Hilton Hotel Park Lane 22 Park Plane W1K 1BE **Founder:** Kam Dovedi
premierpropertyclub.co.uk/knightsbridge

Premier Property Club - Canary Wharf
4th Tuesday of the Month
Hilton Hotel Marsh Wall London E14 9SH **Founder:** Kam Dovedi
premierpropertyclub.co.uk/canarywharf

Premier Property Club - Croydon
1st Tuesday of Each Month
Jurys Inn Croydon Wellesley Road London CR0 9XY **Founder:** Kam Dovedi
premierpropertyclub.co.uk/croydon

Premier Property Club Wembley
4th Wednesday of each month
Holiday Inn Wembley Empire Way Wembley HA9 8DS
Founder: Kam Dovedi
premierpropertyclub.co.uk/wembley

Wandsworth-Property-Group
Love Property in N1 Meetup Group
1st Thursday of the Month
The Islington Company 97 Essex Road N1 2SJ **Host:** Vaida Filmanaviciute
www.meetup.com/Love-Property-in-N1-Meetup-Group

Property Leverage Network - London
1st Monday of the month Pavillion End 23 Watling Street London EC4M 9BR
Host: Karun Chaudhary (07542210168)

Central London Evening Meet
4th Thursday of the month
London Bridge Hotel 8-18 London Bridge St London SE1 9SG
Hosts: Brendan Quinn and Luke Hamill
www.meetup.com/CentralLondonPropertyNetwork

Central London Morning Meet
See website for details
Grosvenor Casino 3-4 Coventry Street Piccadilly Circus London W1D 6BL
Host: Brendan Quinn
www.meetup.com/CentralLondonPropertyNetwork

Baker Street Property Meet
Last Wednesday of every Month
Holiday Inn London Regents Park Carburton Street London W1W 5EE
Host: Ranjan Bhattacharya
www.BakerStreetPropertyMeet.com

Sutton Property Meetup
2nd Monday of the Month
The Ivory Lounge 33-35 High Street Sutton Surrey SM1 1DJ
Hosts: Johanna and Peter Lawrence
www.meetup.com/Sutton-Property-Meetup

London Property Investor Breakfast
4th Tuesday of the month (7.30am – 9.30am) Doubletree by Hilton 92 Southampton Row Holborn London WC1B 4BH **Host:** Fraser Macdonald
www.meetup.com/londonpropertybreakfast

UK Property Investors Networking Event Last Monday of the Month
Grovesnor Hotel 101 Buckingham Palace Road Victoria London
Host: Cornay Rudolph
www.meetup.com/UK-Property-Investors-Networking-Event

The Kensington & Chelsea Property Group 2nd Wednesday of the month
Baglioni Hotel 60 Hyde Park Gate London SW7 5BB **Host:** Neil Mangan
https://www.meetup.com/The-Kensington-Chelsea-Property-Group/

Property Leverage Network City of London 4th Monday of every month
Dawson House 5 Jewry Street London EC3N 2EX **Hosts:** Felix Cartwright & Phil Ash (07856202658)
www.propertyleverage.co.uk

Property Leverage - Southbank London 3rd Monday of the month
Mulberry Bush 89 Upper Ground Southbank London SE1 9PP
Hosts: Felix Cartwright & Phil Ash (07856202658)
www.propertyleverage.co.uk

The London Real Estate Buying & Investing Meetup Group
2nd Tuesday of the Month
Business Environment Services Offices 154 - 160 Fleet Street EC4A 2NB
Host: John Corey
www.meetup.com/real-estate-advice

West London Property Networking
2nd Thursday of each month (except Dec or Aug) High Road House Chiswick West London
Hosts: Jeannie Shapiro and Pelin Martin
www.westlondonpropertynetworking.co.uk

Wandsworth Property Group
3rd Tuesday of the Month
The Alma 499 Old York Road Wandsworth London SW18 1TF
Host: Brendan Quinn
www.meetup.com/Wandsworth-Property-Group

Bloomsbury Wealth Investing Network
3rd Wednesday of the month
The Wesley Hotel 81-103 Euston St Kings Cross London NW1 2EZ
Hosts: Matt Baker & Jo Akhgar
www.bloomsburywin.net

Kingston Wealth Investing Network
4th Tuesday of every month
YMCA Kingston 49 Victoria Road Surbiton KT6 4NG **Hosts:** Tania Carson & Pam Mackenzie

Elephant & Castle Wealth Investing Network 1st Tuesday of every month
London South Bank University Keyworth Street Keyworth Building SE1 6NG
Host: Sonia Blackwood

Global Investor Club London
2nd Thursday of every month
City Business Library Guildhall London EC2V 7HH **Host:** Jan Kortyczko
fb.com/GICLondyn Please note that most speakers are presenting in Polish

Female Property Alliance
3rd Tuesday of every month
Doubletree Victoria Bridge Place SW1V 1QA **Host:** Bindar Dosanjh
http://femalepropertyalliance.co.uk

Croydon Property Meet
1st Wednesday of the month
Croydon Park Hotel Altyre Road Croydon. CR9 5AA
Hosts: Rob Norton and Sel Fayyad
www.croydonpropertymeet.com
rob@croydonpropertymeet.com
sel@croydonpropertymeet.com

THE PROPERTY HUB
1st Thursday of the Month
http://thepropertyhub.net/meetups

London West Smith's Cocktail Bar Brook Green Hotel 170 Shepherd's Bush Road Hammersmith London W6 7PB

London East Property Hub Invest 1 Naoroji Street London WC1X 0GB

ZONE 2

Cambridge pin 4th Thursday of the month
Holiday Inn Cambridge Lakeview Bridge Road Impington Cambridge CB24 9PH
Host: Christine Hertoghe
www.cambridgepin.co.uk

Essex pin 3rd Tuesday of the month
Orsett Hall Hotel Price Charles Avenue Orsett Essex RM16 3HS **Host:** Reegan Parmenter**www.essexpin.co.uk**

Norwich pin 2nd Tuesday of the month
Holiday Inn, Ipswich Road, Norwich, Norfolk, NR4 6EP
Host: Nigel Garioch **www.norwichpin.co.uk**

PPN Ipswich 13/05/2019 Best Western Ipswich Hotel Old London Road Copdock Ipswich IP8 3JD **Host:** Halstead Ottley
progressivepropertynetwork.co.uk/ipswich

PPN Peterborough 20/05/2019
Holiday Inn Thorpe Wood Peterborough PE3 6SG **Host:** Josh Shaw
progressivepropertynetwork.co.uk/peterborough

PPN Brentwood 07/05/2019
Holiday Inn Brook Street CM14 5NF
Hosts: Sarah and Tony Harding
progressivepropertynetwork.co.uk/brentwood

Colchester Property Circle
1st Thursday of each month - 7.00pm
Trotters Bar Middleborough Colchester CO1 1QX **Host:** Phil Sadler
https://www.eventbrite.co.uk/e/colchester-property-circle-networking-meet-up-tickets-52411199308

Essex Property Network
2nd Tuesday of the Month Holiday Inn Brentwood CM14 5NF **Host:** Cyril Thomas
www.essexpropertynetwork.co.uk

Harlow Property Network in association with Premier Property Club 2nd Thursday of Every Month The Day Barn Harlow Study Centre Netteswellbury Farm (off Waterhouse Moor) Harlow Essex CM18 6BW.
myproperty.coach

ZONE 3

Eastbourne pin
1st Wednesday of the month
Royal Eastbourne Golf Club Paradise Drive Eastbourne East Sussex BN20 8BP **Host:** Lee Beecham
www.eastbournepin.co.uk

Woking pin 3rd Thursday of the month
Hoebridge Golf Club Old Woking Road Woking GU22 8JH **Host:** Anne Woodward **www.wokingpin.co.uk**

Oxford pin 1st Thursday of the month
Jurys Inn Godstow Rd Oxford OX2 8AL **Host:** Gillie Barlow
www.oxfordpin.co.uk

Reading pin 1st Tuesday of the month
Crowne Plaza Reading Caversham Bridge Richfield Avenue Reading RG1 8BD **Hosts:** Guy Brown and Rupal Patel **www.readingpin.co.uk**

Berkshire pin 3rd Monday of the month
Holiday Inn Maidenhead Manor Lane Maidenhead SL6 2RA **Stand In Host:** Leo Santana **www.berkshirepin.co.uk**

Southampton pin
1st Tuesday of the month
Chilworth Manor Hotel Southampton Hampshire SO16 7PT
Host: Nigel Bugden
www.southamptonpin.co.uk

Brighton pin
3rd Thursday of every month
The Courtlands Hotel 19-27 The Drive Hove East Sussex BN3 3JE
Host: Peter Fannon
www.brightonpin.co.uk

Basingstoke pin
4th Wednesday of the month
The Hampshire Court Hotel Centre Drive Great Binfield Road Chineham Basingstoke RG24 8FY
Hosts: Seb and Aga Krupowicz
www.basingstokepin.co.uk

Kent pin
1st Thursday of the month
Village Hotel Club Maidstone Castle View Forstal Road Sandling ME14 3AQ **Hosts:** Martin and Sarah Rapley **www.kentpin.co.uk**

J6 Property Professionals & Investors Meet 2nd Tuesday of the month
Aston Bond solicitors Windsor Crown House 7 Windsor Road Slough SL1 2DX **Host:** Manni Chopra
www.j6propertymeet.co.uk

The Property Vault
3rd Monday of the month
Eastgate 141 Springhead Parkway Northfleet DA11 8AD
Host: Dan Hulbert
www.thepropertyvaultuk.com

Surrey Property Exchange
2nd Monday of the Month
Holiday Inn Egerton Road Guildford GU2 7XZ **Host:** Richard Simmons
www.surreypropertyexchange.co.uk

Premier Property Club - Kent
2nd Tuesday of each month
Castle View Forstal Rd Maidstone ME14 3AQ
www.PremierPropertyClub.co.uk

The Bucks Property Meet
Last Thursday of the Month
The Bull Gerrards Cross **Hosts:** John Cox and Rachael Troughton
www.Buckspropertymeet.com

Southampton Property Hub Meet Up
1st Thursday of every month
The Maritimo Lounge 1 Moresby Tower Admirals Quay Ocean Way Southampton SO14 3LG
Host: Sarah Smith
https://www.facebook.com/propertyhubsouthampton/?fref=ts

Premier Property Club - Brighton
1st Thursday of the Month
Jurys Inn Brighton Waterfront King's Road Brighton BN1 2GS
www.premierpropertyclub.co.uk/brighton

Eastbourne Wealth Investing Network 4th Wednesday of every month The View Hotel Grand Parade Eastbourne BN21 4DN
Host: Jonas Elsen-Carter

Guildford Wealth Investing Network
1st Wednesday of every month
Old Thorns Manor Hotel Golf & Country Estate Liphook GU30 7PE
Hosts: Wendy Alexander & Adrian Brown

Crawley Property Meet
3rd Tuesday of every month
crawleypropertymeet.com
Europa Hotel Balcombe Road Crawley RH10 7ZR **Hosts:** Tania Carson Pam Mackenzie Nick Parkhouse and Phil Williams.

PDPLA
2nd Monday of the month
The Inn Lodge Burrfields Road Portsmouth PO3 5HH. 7:30
Host: Joan Goldenberg
www.pdpla.com

Mid Surrey Wealth Investing Network 2nd Wednesday of every month Sutton United Football club Gander Green Lane Sutton SM1 2EY
Host: June Cruden

ZONE 4

Bournemouth pin
2nd Tuesday of the month
Sandbanks Hotel 15 Banks Road Poole BH13 7PS **Hosts:** Andy Gaught and Jonathan Barnett
www.bournemouthpin.co.uk

Cheltenham pin
3rd Tuesday of the month
The Best Western Cheltenham Regency Hotel Old Gloucester Road Near Staverton Gloucestershire GL51 0ST
Hosts: David and Beverley Lockett
www.cheltenhampin.co.uk

Exeter pin 4th Thursday of the month
Buckerell Lodge Hotel Topsham Road Exeter EX2 4SQ **Host:** Philip Bailey
www.exeterpin.co.uk

Bristol pin
2nd Wednesday of the Month
Holiday Inn Bristol Filton Filton Road Bristol Avon BS16 1QX **Host:** Nick Josling **www.bristolpin.co.uk**

Salisbury pin
3rd Wednesday of the month
Grasmere House Hotel, 70 Harnham Road, Salisbury, SP2 8JN
Hosts: James and Malcolm White
www.salisburypin.co.uk

Swindon pin
4th Wednesday of the month
Village Hotel Swindon Shaw Ridge Leisure Park Whitehill Way Swindon SN5 7DW
www.swindonpin.co.uk

PPN Bournemouth 21/05/2019
The Ocean Beach Hotel & Spa 32 East Overcliff Drive Bournemouth BH1 3AQ
Host: Leigh Ashbee
progressivepropertynetwork.co.uk/bournemouth

PPN Swindon 14/05/2019 Holiday Inn Swindon Marlborough Road Swindon SN3 6AQ **Hosts:** Nick Chawala Allan Harding and Aritri Mukherjee
progressivepropertynetwork.co.uk/swindon

PEN Wiltshire
Last Tuesday of the Month
Stanton Manor Hotel Stanton St. Quintin Near Chippenham Wiltshire SN14 6DQ **Host:** Neil Stewart
www.penwiltshire.com

Professional Investment Group (PIG) - Plymouth 3rd Monday of the month
Boringdon Hall Hotel and Spa Boringdon Hill , Colebrook, Plymouth PL7 4DP **Host:** Angelos Sanders
www.pig.network

Bristol BMV Property Options
Last Thursday of every month
The Holiday Inn Bond Street Bristol BS1 3LE **Host:** Del Brown
www.bmvpropertyoptions.co.uk/property-investment-meeting-pim

Professional Investment Group (PIG) - Cornwall 1st Monday of the month
The Victoria Inn Roche PL26 8LQ
Hosts: Angelos Sanders & Matt Pooley
www.pig.network

Torbay Free Property Meet
2nd Monday of the month from 7pm
Chelston Manor, Old Mill Rd, Torquay TQ2 6HW
Hosts: Ed Akay and Mel Richards
www.facebook.com/torbayproperty

Exeter Free Property Meet
First Thursday of the Month from 7pm
The Ley Arms, Kenn, Devon EX6 7UW
Hosts: Ed Akay and Keith Sparkes
www.facebook.com/exeterpropertymeet

ZONE 5

Birmingham Central pin
1st Thursday of the month
Novotel Birmingham Centre Hotel 70 Broad Street Birmingham B1 2HT
New host: Dan Norman
www.birminghamcentralpin.co.uk

Birmingham pin
3rd Thursday of the month
Crowne Plaza NEC Pendigo Way National Exhibition Centre Birmingham B40 1PS **Hosts:** Andy Gwynn and Mary Collin**www.birminghampin.co.uk**

Black Country pin
4th Wednesday of the month
Village Hotel Dudley Castlegate Drive Dudley West Midlands DY1 4TB
Host: Phillip Hunnable
www.blackcountrypin.co.uk

Coventry and Warwickshire pin
2nd Tuesday of the month
Citrus Hotel Coventry A45 London Rd Ryton on Dunsmore Warwickshire Coventry CV8 3DY
Host: Sebastien Buhour
www.coventrypin.co.uk

Worcester pin
1st Wednesday of the month
The Pear Tree Inn & Country Hotel Smite Worcester WR3 8SY
Hosts: Andy & Karen Haynes
www.worcesterpin.co.uk

Stoke-on-Trent pin
2nd Wednesday of the month
Premier Inn Trentham Gardens Stoke Stone Road Stoke-on-Trent ST4 8JG
Host: Steve and Emma Barker-Hall
www.stokepin.co.uk

PPN Wolverhampton 07/05/2019
Molineux Stadium Waterloo Road Wolverhampton WV1 4QR
Hosts: Tim and Sue Gray
progressivepropertynetwork.co.uk/wolverhampton

PPN Birmingham 08/05/2019
Members Club House Edgbaston Priory Club Sir Harry's Road Edgbaston Birmingham B15 2UZ
Host: Kirsty Darkins
progressivepropertynetwork.co.uk/birmingham

PPN Leamington Spa 22/05/2019
The Saxon Mill Coventry Road Guys Cliffe Warwick Warwickshire UK CV34 5YN **Host:** Mark Potter
progressivepropertynetwork.co.uk/leamingtonspa

Great Property Meet Warwickshire
3rd Monday of the month
Dunchurch Park Hotel & Conference Centre Rugby Road Dunchurch Warwickshire CV22 6QW
Hosts: Andrew Roberts and Peter Lazell
www.GreatPropertyMeet.co.uk

THE PROPERTY HUB
1st Thursday of the Month
http://thepropertyhub.net/meetups
Birmingham The Lost and Found Birmingham 8 Bennetts Hill Birmingham B2 5RS

YPN Strongly recommend that you attend your local property networking events. However the events listed are not staged by Your Property Network Ltd. Please check venue and dates on the relevant website before travelling to the event.

ZONE 6

Luton pin 4th Tuesday of the month
Hampton by Hilton 42-50 Kimpton Rd Luton LU2 0SX **Host:** James Rothnie
www.lutonpin.co.uk

Milton Keynes pin
3rd Wednesday of the month
Holiday Inn Milton Keynes 500 Saxon Gate West Milton Keynes MK9 2HQ
Host: Reemal Rabheru
www.miltonkeynespin.co.uk

Leicester pin 1st Thursday of the month
The Fieldhead Hotel Markfield Lane Markfield LE67 9PS **Host:** Jo and Gary Henly **www.leicesterpin.com**

Nottingham pin
3rd Tuesday of the month
Park Inn by Radisson Nottingham 296 Mansfield Road Nottingham NG5 2BT **Host:** Spike Reddington
www.nottinghampin.co.uk

Watford pin 2nd Thursday of the month
The Mecure A41 Watford Bypass Watford Hertfordshire WD25 8JH
Hosts: Waseem Herwitker and Shack Baker **www.watfordpin.co.uk**

Northampton pin
1st Thursday of the month
Holiday Inn Express Northampton, Junction 15, M1, Loake Close, Grange Park, Northampton NN4 5EZ
Host: Amelia Carter
www.northamptonpin.co.uk

Lincoln pin
Wednesday 24th April 2019
Holiday Inn Express Lincoln City Centre Ruston Way Brayford Park Lincoln LN6 7DB **Hosts:** Ankie Bell and Hannelie Ehlers **www.lincolnpin.co.uk**

PPN Derby 14/05/2019
Nelsons Solicitors Sterne House Lodge Lane Derby DE1 3WD
Hosts: Mike Alder & Jamie Hayter
progressivepropertynetwork.co.uk/derby

PPN Leicester 13/05/2019
Marriott Hotel Smith Way Grove Park LE19 1SW **Host:** Kal Kandola
progressivepropertynetwork.co.uk/leicester

PPN Northampton 21/05/2019
Hilton Hotel 100 Watering Lane Collingtree Northampton NN4 0XW
Host: Kim Hendle
progressivepropertynetwork.co.uk/northampton

Stevenage Wealth Investing Network
3rd Wednesday of every month
Stevenage Novotel Hotel Steveage Road Knebworth Park SG1 2AX
Hosts: Stephen & Bridget Cox

UK Property Network Leicester
2nd Tuesday of the Month
The Field Head Hotel Markfield La Markfield Leicestershire LE67 9PS
Host: Tracey Hutchinson
www.meetup.com/UKPN-Leicester

Landlords National Property Group
1st Monday of the Month
The Derbyshire Hotel Carter Lane East Derby DE55 2EH **Hosts:** Paul Hilliard and Nick Watchorn **www.lnpg.co.uk**

Midland Property Forum
3rd Thursday of the month
The Oldmoor Lodge Mornington Crescent Nottingham. NG16 1QE
Hosts: Kal Kandola Hannah Hally Kelly Hally James Howard-Dobson Steve Harrison
https://www.facebook.com/MidlandsPropertyForum

THE PROPERTY HUB
1st Thursday of the Month
http://thepropertyhub.net/meetups

St Albans The Beech House 81 St Peter's Street St Albans AL1 3EG

Nottingham St James Hotel No 6 Bar & Restaurant 1 Rutland Street Nottingham NG1 6FL

ZONE 7

Liverpool pin 4th Thursday of the month
The Shankly Hotel Millennium House 60 Victoria St Liverpool L1 6JD
Hosts: Billy Turriff Julie and Oliver Perry
www.liverpoolpin.co.uk

Manchester pin
3rd Wednesday of the month
Best Western Cresta Hotel Church St Altrincham WA14 4DP
Host: Julie Whitmore
www.manchesterpin.co.uk

Chester pin 2nd Thursday of the month
Mercure Chester (formerly known as Ramada) Whitchurch Road Christleton Chester CH3 5QL **Host:** Hannah Fargher
www.chesterpin.co.uk

PPN South Manchester 23/05/2019
Best Western Plus Pinewood on Wilmslow Wilmslow Road Cheshire SK9 3LF **Host:** Mike Chadwick
progressivepropertynetwork.co.uk/wilmslow

PPN Blackpool 20/05/2019
Ribby Hall Village Ribby Road Wrea Green Nr Blackpool PR4 2PR
Host: Niki Torbett
progressivepropertynetwork.co.uk/blackpool

PPN Liverpool 22/05/2019
Marriott Hotel One Queen Square Liverpool L1 1RH **Hosts:** Andrew Budden & Alison McIntyre
progressivepropertynetwork.co.uk/liverpool

TPM Meeting Warrington
4th Monday of every month
The Park Royal Hotel Stretton Road Stretton Warrington WA4 4NS
Host: Susan Alexander
http://thepropertymentor.eventbrite.com

TPM Meeting Wigan & Worsley
4th Wednesday of the month
Holiday Inn Express Leigh Sports Village Sale Way Leigh WN7 4JY
Host: Debra Long
http://thepropertymentor.eventbrite.com

ASANA North West Property Meet
1st Monday of each month
The Willows Douglas Valley A6 Blackrod Bypass Blackrod Bolton BL6 5HX
Hosts: Howard Cain and Kathy Bradley
www.asanapropertyinvestments.co.uk

Manchester Property Investor Breakfast 1st Friday of the month (7.30am – 9.30am) Village Hotel Ashton under Lyne OL7 0LY
Host: Fraser Macdonald
www.meetup.com/Manchester-Property-Investor-Breakfast

Property Leverage Network Manchester
1st Tuesday of every month Chill Factore 7 Trafford Way Urmston M41 7JA
Hosts: Andrew Wilcock & Gary Collins
http://propertyleverage.co.uk/manchester

Warrington Property Investors' Meet Up Last Tuesday of the month from 7pm-9pm Olympic Park Unit 7 Olympic Way 1st Floor Birchwood Warrington Cheshire WA2 0YL (free parking)
Hosts: Patricia Li and Michael Hopewell
www.meetup.com/Warrington-Property-Investors-Meetup/

THE PROPERTY HUB
1st Thursday of the Month
http://thepropertyhub.net/meetups

Liverpool Punch Tarmey's Liverpool 31 Grafton St Liverpool L8 5SD

Manchester The Bridge Street Tavern 58 Bridge Street M3 3BW

ZONE 8

Hull pin 2nd Thursday of the month
Mercure Hull Royal Hotel 170 Ferensway Hull East Yorkshire HU1 3UF **Host:** Neil Brown
www.hullpin.co.uk

Leeds pin 4th Wednesday of the month
Crowne Plaza Hotel Wellington Street Leeds LS1 4DL
Hosts: Jay and Nana Sharma
www.leedspin.co.uk

Harrogate pin
1st Wednesday of the month
Cedar Court Hotel Park Parade off Knaresborough Road Harrogate HG1 5AH **Host:** Paul Bellas
www.harrogatepin.co.uk

York pin 3rd Wednesday of the month
York RI 22 Queen Street York YO24 1AD **Hosts:** Mike Q Hainsworth and Olga Hainsworth **www.yorkpin.co.uk**

Sheffield pin
2nd Wednesday of the month
Mercure Sheffield Parkway Hotel (previously known as Aston Hotel) Britannia Way Sheffield South Yorkshire S9 1XU
Hosts: Paul Hastings and Stuart Cooper
www.sheffieldpin.co.uk

PPN Leeds 14/05/2019
Novotel Hotel 4 Whitehall Quay Leeds LS1 4HR **Host:** Mo Jogee
progressivepropertynetwork.co.uk/leeds

PPN Sheffield 28/05/2019
Mercure Hotel Britannia way Catcliffe Rotheram Yorkshire S60 5BD
Host: Kevin McDonnell
progressivepropertynetwork.co.uk/sheffield

Property Leverage - Leeds
3rd Monday of the month
The Stables Weetwood Hall Leeds LS16 5PS (Location subject to change)
Host: Rob Hodgkiss (07398858256)

Property Leverage - Wakefield
1st Wednesday of the month
Kirklands Hotel Leeds Road Wakefield WF1 2LU **Host:** Dominic Woodward (07794223136)

Property Leverage Network – York
2nd Tuesday of every month
Beechwood Close Hotel 19 Shipton Road YO30 5RE York
www.propertyleverage.co.uk

THE PROPERTY HUB
1st Thursday of the Month
http://thepropertyhub.net/meetups

Leeds Dakota Deluxe Hotel 8 Russell Street Leeds LS1 5RN

ZONE 9

Edinburgh pin
3rd Thursday of the month
Capital Hotel 187 Clermiston Rd Edinburgh EH12 6UG **Host:** John Kerr
www.edinburghpin.co.uk

PPN Glasgow 27/05/2019
The Corinthian Club 191 Ingram St Glasgow G1 1DA
Hosts: Philip Howard & Aaron Percival
progressivepropertynetwork.co.uk/glasgow

Property Leverage Network - Glasgow
4th Tuesday of every month
Glasgow Pond Hotel Great Western Rd G12 0XP Glasgow United Kingdom
www.propertyleverage.co.uk

ZONE 10

Cardiff pin 2nd Tuesday of the Month
Mercure Cardiff Holland House Hotel & Spa 24-26 Newport Rd Caerdydd Cardiff CF24 0DD **Host:** Morgan Stewart **www.cardiffpin.co.uk**

Swansea pin 4th Thursday of the Month
Village Hotel Langdon Road (Off Fabian Way) SA1 Waterfront Swansea SA1 8QY **Host:** Bernadette & Ian Lloyd **www.swanseapin.co.uk**

PPN Cardiff 09/05/2019
Celtic Manor Resort Newport NP18 1HQ **Hosts:** Sean Forsey & Phill Leslie
progressivepropertynetwork.co.uk/cardiff

ZONE 11

Belfast pin 1st Tuesday of the Month
Balmoral Hotel Blacks Road Dunmurry Belfast BT10 0NF **Host:** Ian Jackson
www.belfastpin.co.uk

Belfast Property Meet
1st Thursday of the Month
The Mac Theatre St. Anne's Square Belfast **Host:** Chris Selwood
www.belfastpropertymeet.com

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PROPERTY AUCTIONS MAY 2019

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East Anglia

Durrants 08/05/19 15:00 The Auction Rooms, Peddars Lane, Beccles, NR34 9UH

Goldings 15/05/19 14:15 The Atrium, Wherstead Park, Ipswich, IP9 2BJ

Woodford & Co 16/05/19 Talbot Hotel, New Street, Oundle, Peterborough, PE8 4EA

East Midlands

Auction House Leicestershire 02/05/19 18:00 Readings Property Group, 48 Granby Street, Leicester, LE1 1DH

The County Property Auction 08/05/19 19:00 Doubletree by Hilton, Brayford Wharf North, Lincoln, LN1 1YW

Shonki Brothers (Narborough Road) 15/05/19 17:30 Leicester City Football Club, Filbert Way, Leicester, LE2 7FL

Auction House Copelands 15/05/19 19:00 Chesterfield Football Club, 1866 Sheffield Road, Chesterfield, S41 8NZ

Bagshaws Bakewell 20/05/19 15:00 The Agricultural Business Centre, Agricultural Way, Bakewell, DE45 1AH

SDL Auctions Graham Penny (Leicester) 21/05/19 11:30 Leicester City Football Club, King Power Stadium, Filbert Way, Leicester, LE2 7FL

Bagshaws Residential 22/05/19 11:30 Derbyshire County Cricket Club, Nottingham Road, Derby, DE21 6DA

SDL Auctions Graham Penny (Nottingham) 22/05/19 11:30 Nottingham Racecourse, Colwick Road, Nottingham, NG2 4BE

SDL Auctions Graham Penny (Derby) 24/05/19 11:30 Pride Park Stadium, Pride Parkway, Derby, DE24 8XL

Yorkshire and The Humber

William H Brown (Leeds) 01/05/19 12:30 Leeds United Football Club, Elland Road, Leeds, LS11 0ES

Blundells 01/05/19 13:00 Double Tree by Hilton Sheffield Park, Chesterfield Road South, Sheffield, S8 8BW

Screetons 09/05/19 19:00 Wellington Hotel, 31 Bridgegate, Howden, Goole, DN14 7JG

Sharpes 14/05/19 18:00 Midland Hotel, Forster Square, Bradford, BD1 4HU

Auction House South Yorkshire 15/05/19 12:30 Copthorne Hotel, Bramall Lane, Sheffield, S2 4SU

Auction House West Yorkshire 15/05/19 14:00 Norman Hunter Banqueting Suite, Elland Road, Leeds, LS11 0ES

Mark Jenkinson & Son15/05/19 14:00 Platinum Suite, Bramall Lane, Sheffield, S2 4QZ

Auction House Hull & East Yorkshire 15/05/19 18:30 Beverley Racecourse, York Road, Beverley, HU17 8QZ

Feather Smailes & Scales 23/05/19 15:00 The Pavilions of Harrogate, Great Yorkshire Showground, Railway Road off Wetherby Road, Harrogate, HG2 8QZ

Northern Lincolnshire Property Auction - IAM Sold 29/05/19 Forest Pines Hotel, Ermine Street, Broughton, Brigg, DN20 0AQ

Boultons Harrisons Ltd 30/05/19 19:00 John Smiths Stadium, Stadium Way, Huddersfield, HD1 6PG

London

Auction House London 09/05/19 12:00 London Marriott Hotel, Regents Park, 128 King Henrys Road, London, NW3 3ST

Barnett Ross 16/05/19 12:00 The Langham Hotel, Portland Place, London, W1B 1JA

Allsop Commercial 20/05/19 The Berkeley, Wilton Place, London, SW1X 7RL

Strettons 21/05/19 11:00 Grand Connaught Rooms, Great Queen Street, London, WC2B 5DA

Town & Country Property Auctions London 21/05/19 12:30 Crown Plaza London Kensington, 100 Cromwell Road, London, SW7 4ER

Barnard Marcus 21/05/19 Grand Connaught Rooms, Great Queen Street, London, WC2B 5DA

Acuitus 23/05/19 13:00 The Montcalm Hotel, 34-40 Great Cumberland Place, London, W1H 7TN

Phillip Arnold Auctions 24/05/19 12:00 Doubletrees By Hilton, 2-8 Hanger Lane, Ealing, London, W5 3HN

Savills (London - National) 29/05/19 The Marriott Hotel, Grosvenor Square, Mayfair, W1K 6JP

Allsop Residential 30/05/19 InterContinental Hotel London Park Lane, 1 Hamilton Place, Park Lane, Mayfair, London, W1J 7QY

South West

Rendells Newton Abbot 01/05/19 14:00 Jolly Farmer, 8 Market Street, Newton Abbot, TQ12 2RB

Clive Emson West Country 02/05/19 11:00 St. Mellion International Resort, St. Mellion, Saltash, PL12 6SD

Rendells Newton Abbot 08/05/19 15:00 Jolly Farmer, 8 Market Street, Newton Abbot, TQ12 2RB

Greenslade Taylor Hunt Tiverton 09/05/19 14:00 Padbrook Park Hotel, Padbrook Park, Cullompton, EX15 1RU

Greenslade Taylor Hunt Taunton 09/05/19 14:30 Castle Hotel, Castle Green, Taunton, TA1 1NF

Strakers 09/05/19 19:00 Bath Racecourse, Lansdown, Bath, BA1 9BU

Shobrook & Co Ltd 16/05/19 14:00 New Continental Hotel, Millbay Road, Plymouth, PL1 3LD

David Plaister Ltd 21/05/19 19:00 The Royal Hotel, 1 South Parade, Weston-Super-Mare, BS23 1JP

Auction House Bristol & West 23/05/19 19:00 Ashton Gate Stadium, Winterstoke Road, Ashton Gate, BS3 2LQ

Symonds & Sampson LLP 24/05/19 14:00 Digby Hall, Hound Street, Sherborne, DT9 3AA

Tamlyn & Son 30/05/19 12:00 Oak Tree Arena, Bristol Road, Highbridge, TA9 4HA

Northern Ireland

Wilsons (Northern Ireland) 30/05/19 19:30 Mallusk Auction Complex, 22, Mallusk Road, Newtownabbey, BT36 4PP

North West Home Counties

Martin & Pole 01/05/19 14:30 Coppid Beech Hotel, John Nike Way, Bracknell, RG12 8TF

Robert Williams Estate Agents 15/05/19 1, Market Square, Princes Risborough, HP27 0AP

Romans 30/05/19 12:00 Green Park Conference Centre, 100 Longwater Avenue, Reading, RG2 6GP

West Midlands

Bond Wolfe Auctions 09/05/19 10:30 Holte Suite, Aston Villa FC, Trinity Road, Birmingham, B6 6HE

John Earle & Son 14/05/19 18:30 Henley Golf & Country Club, Birmingham Road, Henley-in-Arden, B95 5QA

John Goodwin - Upton-On-Severn 16/05/19 18:00 Feathers Hotel, 25 High Street, Ledbury, HR8 1DS

Bagshaws Leek 20/05/19 15:00 Westwood Golf Club, Newcastle Road, Leek, ST13 7AA

Cottons 22/05/19 Aston Villa Football Club, Trinity Road, Birmingham, B6 6HE

SDL Auctions Bigwood 23/05/19 10:30 Aston Villa Football Club, Trinity Road, Birmingham, B6 6HE

Loveitts 23/05/19 18:30 Village Urban Resort, Dolomite Avenue, Coventry Business Park, Coventry, CV4 9GZ

Town & Country Property Auctions West Midlands 23/05/19 19:00 Park Inn, Forgegate, Telford, TF3 4NA

West Midlands Property Auction - IAM Sold 30/05/19 19:00 Molineux Stadium, Waterloo Road, Wolverhampton, WV1 4QR

Scotland

SVA Property Auctions Ltd 01/05/19 14:00 The Trades Hall, 85 Glassford Street, Glasgow, G1 1UH

South-East Home Counties

Clive Emson Sussex & Surrey 01/05/19 11:00 Hilton Brighton Metropole, 106-121 Kings Road, Brighton, BN1 2FU

Clive Emson Hampshire & Isle of Wight 03/05/19 11:00 Solent Hotel, Rookery Avenue, Fareham, PO15 7AJ

Auction House Essex 07/05/19 19:00 Crondon Golf & Country Club, Stock Road, Stock, CM4 9DP

Pearsons Auctions 08/05/19 11:00 The Ageas Suite, Ageas Bowl, Botley Road, Southampton, SO30 3XH

Fox & Sons (Southampton) 09/05/19 13:00 Macdonald Botley Park Hotel, Winchester Road, Botley, Southampton, SO32 2UA

Hobbs Parker 09/05/19 14:00 Amos Hall, Monument Way, Orbital Park, Ashford, TN24 0HB

Dedman Gray 22/05/19 14:00 The Holiday Inn Hotel, London Southend Airport, Southend-on-Sea, SS2 6XG

Auction House Sussex 23/05/19 14:30 The Hove Club, 28 Fourth Avenue, Hove, BN3 2PJ

Nesbits 30/05/19 11:00 Royal Marines Museum, Eastney Esplanade, Southsea, PO4 9PX

North East

Great North Property Auction - IAM Sold 23/05/19 Ramside Hall Hotel, Carrville, Durham, DH1 1TD

BRG Gibson 28/05/19 19:30 Bangor Auction Centre, 7-9 Greenway, Green Road, Bangor, BT23 7SU

Pattinson Property Auctions 29/05/19 Newcastle Falcons Rugby Football Club, Brunton Road, Newcastle upon Tyne, NE13 8AF

Agents Property Auction 30/05/19 Newcastle Marriott Hotel, High Gosforth Park, Newcastle upon Tyne, NE3 5HN

North West

Andrew Kelly Auctions 01/05/19 18:30 Rochdale Football Club, Sandy Lane, Rochdale, OL11 5DR

Smith & Sons 02/05/19 14:00 Village Leisure Hotel, Pool Lane, Bromborough Pool, Wirral, CH62 4UE

Sutton Kersh Auctions 15/05/19 12:00 Crowne Plaza Liverpool, 2 St. Nicholas Place, Liverpool, L3 1QW

Michael C. L. Hodgson 17/05/19 14:45 Kendal Town Hall, Highgate, Kendal, LA9 4DL

Auction House Manchester 20/05/19 14:00 Manchester City Football Club Ltd, Etihad Stadium, Rowsley Street, Manchester, M11 3FF

Cumbrian Properties - The Agents Property Auction 21/05/19 18:00 The Halston Aparthotel, 20-34 Warwick Road, Carlisle, CA1 1AB

Venmore Auctions 23/05/19 13:00 Liverpool Town Hall, High Street, Liverpool, L2 3SW

Auction House North West 23/05/19 14:00 Bolton Wanderers Football Club, Macron Stadium, Burnden Way, Bolton,

Wales

Morris Marshall & Poole 02/05/19 14:00 Welshpool Livestock Market, Buttington Cross, Buttington, Welshpool, SY21 8SR

Paul Fosh Auctions 02/05/19 17:00 The Park Inn Hotel (Formerly The Moat House), Circle Way East, Llanedeyrn, Cardiff, CF23 9XF

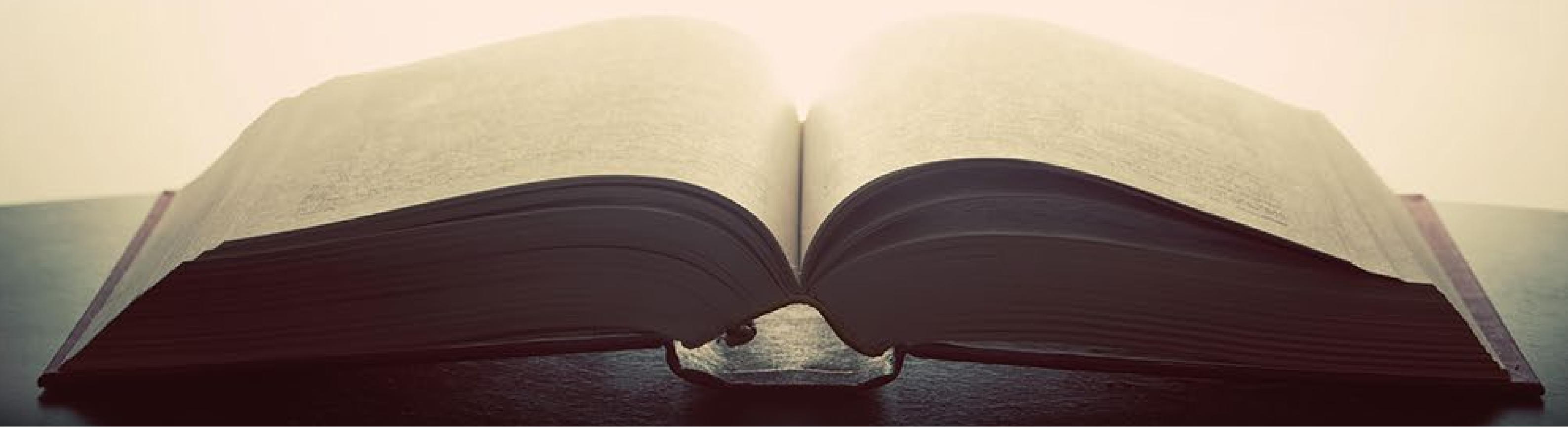
McCartneys 09/05/19 18:00 Gwernyfed Rugby Club, Trefecca Road, Talgarth, LD3 0PL

D J & P Newland Rennie Monmouth 09/05/19 Monmouth School Pavilion, Almshouse Street, Monmouth, NP25 3XP

Auction House South Wales 15/05/19 19:00 Village Hotel, 29 Pendwyallt Road, Cardiff, CF14 7EF

John Francis 16/05/19 15:00 Parc y Scarlets, Llanelli, SA14 9UX

Astleys 22/05/19 15:00 Village Hotel, Langdon Road, Swansea, SA1 8QY



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