Issue 132 June 2019

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LAST ORDERS!

CALLING TIME ON UNLOVED PUBS

Investors net massive £2k, £3k and £4k+ monthly cash flows from conversions

BEGINNER DEALS

Reader turns £115k mixed use building into 34%+ ROI

How a cautious approach paid dividends

THE SECTION 21 BAN

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Dear Property Investor,

There's a huge untapped market for property investors – **businesses that owns property or land which you can buy below market value.**

Most property investors only look for 'obvious' opportunities.

> **"As an experienced property investor I was cynical as to whether Jonathan could show me anything new. I now know how to expand my cash flow by buying property related businesses and have a blueprint for 'rinse and repeat' – this is worth any property investor checking out immediately."**
>
> Rebecca Waterfield

But if you are prepared to think outside the box, there is a **huge untapped market** in businesses that own a freehold property or are on land that can be developed.

Often the property and land is undervalued on the Balance Sheet – which presents an amazing opportunity for the property developer who has the skills, knowledge and confidence to buy a business (with the land and property thrown in!).

The skill is knowing where to identify these opportunities and how to approach the business owner, how to negotiate the deal and structure it with the best possible terms – **preferably a no-money-down deal.**

There is a huge advantage of buying a business with property – **you get the daily cashflow from the business with bridges the gap while you apply for planning permission.** When you have planning you can then sell the business and keep the property – with another windfall for you.

If you want to learn how to buy a business, Jonathan Jay and The Dealmakers Academy is where you go if you want razor sharp advice and mentoring from people who spend their lives buying and selling companies.

> **"I've been a property developer for 5 years and I was surprised and excited by the opportunities Jonathan's Dealmakers Academy brings to my business. The course is loaded with valuable material and insights."**
>
> Chris Price

Watch the video: www.TheDealmakersAcademy.com/property

THE DEALMAKER'S ACADEMY

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Welcome TO THE JUNE EDITION OF YPN!

As I write, the sun is streaming in through the window and I'm looking forward to a chilled glass of sauvignon blanc later on this evening on the patio of our local down the road, which just happens to overlook one of the longest beaches in the UK.

Although this pub is thriving, many others up and down the country are either dying or already dead. That can be a sad story, but property investors tend to see things differently. Where others see decay, we see opportunity. Where some turn away from a business going downhill, we find out if there's a deal to be done.

Some people think we are vultures. I strongly disagree. I believe that in searching for the opportunity, we are looking for ways that will save a building, bring it back into use and benefit the whole community.

Our feature on pub conversions celebrates the vision of seeing beyond the dilapidation. Yes, the investors have made very good profits, but they have also taken risks and overcome challenges that so many are unwilling to tackle. Each of them is an inspiration, proving that ordinary folks like you and me can really make a difference in our own and others' lives.

Successful investing isn't all about bricks and mortar, however – something every landlord will tell you! This month, some of our regular contributors look into the recent government proposal to abolish Section 21 no fault evictions, as well as the regulations surrounding asbestos.

There's lots more besides, including a case study of a development using OSM materials and an insight into developing for the growing retirement market.

I hope you find plenty to inspire and help you along with your property investing in this month's YPN!

Jayne Owen

EDITOR

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INVESTING

FINANCE

LANDLORD

EDUCATION

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LAST ORDERS!

CALLING TIME ON UNLOVED PUBS

A dilapidated pub is a sad sight. Forlorn, emanating shadowed memories of good times past, its fabric crumbles into a black, weed-ridden decay that drags the atmosphere of the local community down with it.

A neglected pub doesn't even have to be on the brink of physical collapse. I'm sure we can all conjure up an image of the dank interior, sticky carpet, dark brown tables and ripped plastic banquettes of the pub we wish we'd never set foot in.

To a property developer though, these buildings are the stuff of opportunities. A vacant or ailing pub is surely crying out to be converted.

Before you jump in feet first, let's take a closer look. It is true that many pubs up and down the country are ailing or closing down and being dumped on to the open market, for sale through residential or commercial estate agents or up for auction. That doesn't necessarily mean though, that they're an easy target for conversion.

If a pub is still trading, there are some planning restrictions and there will be hoops to jump through. If it has a loyal troupe of patrons, it might be classed as an Asset of Community Value (in England). If you have one of these in your sights, you'll need to engage your inner Sherlock Holmes to find out how busy the pub is and whether the business is on its last legs, as well as elicit the attitude of the local planning department.

An empty pub might be less problematic but still won't lead to an automatic yes from the planners. The council, the community and the world at large must have their say. Planning expert Jon McDermott explains these points in detail later in this feature.

Once you get the go-ahead, however, converting an old pub can be rewarding in every sense of the word. The right scheme for the area can turn the project into a very lucrative development. Many of them are beautiful buildings in their own right and some are big too, with space that is underutilised. The grounds can extend to include car parks and/or large gardens. So not only do you have the chance of making a profit, you're also breathing life back into a building and a community.

What you can do with an old pub will depend on the locality. Turning a rural pub into an HMO or flats won't go down too well with anyone. Likewise, converting a large empty pub on a street corner into a single home won't be best use of the space available and would be unlikely to appeal to buyers.

Two of the many secrets of this strategy are:

1) **know the area well**
2) **to understand what the planners want**

Some may want the building converted for mixed commercial/residential use, others will be crying out for residential accommodation, and a few might insist on it being available for community use.

In this feature, we have spoken to three sets of investors who have converted a pub for residential use (by coincidence, each one is an HMO or part-HMO). All of them hit challenges, some of which were quite daunting, but soldiered on through to enjoy the rewards of the short-term pain. Rewards that are well worth the trouble!

Our editorial team has spent many hours looking for case studies and talking to investors as well as writing up the articles. We have been inspired by these people and how they have rejuvenated the buildings to become assets in the broadest sense – for their portfolios, for the people who live in them, and for the wider community. In fact, we have been so inspired that we're planning a follow-up feature later in the year on converting pubs into houses and apartments.

For now, turn over to find out how you can make intoxicating monthly cash flows from unloved pubs!

Jayne

FROM DISREPAIR TO ROOMS WITH FLAIR

THE BLACK SWANN NETS £4,200 PM AS 16-BED HMO AND 2 STUDIOS

Interview & words: **Heidi Moment**

Buying a pub without viewing it first is not for the faint-hearted, but it didn't put off experienced investor, Dale Wild. This month we met up with Dale to find out the ups and downs of his first pub conversion.

Everything we do is property related

I started investing in property in 2006, back in the days where you could get same day refinancing as long as you bought cheap. I had just left the Army after nine years of service and I wasn't really looking for properties at the time. My mate's girlfriend was working for a property sourcer and she had two properties that worked really well as single lets, and hardly cost me anything after refinancing. So I bought them both and it got me off to a really good start.

This got me thinking about how I could invest in property with the small pot of cash I had and I started looking at all the different ways I could earn an income from property. After a chance meeting, my cousin and I ended up taking on two large properties in Oldham on a lease option. We turned them into HMOs for LHA Tenants and then I was off!

> "I drove HGVs to cover my bills whilst working towards my goals – short-term pain for long-term gain"

I met my now business partner, Peter, nine years ago at a property event in Manchester. Peter is a chartered surveyor and runs a large estate agency in Lancaster. I couldn't believe my luck when we started to look at projects together. We're an unlikely couple – me, an ex-paratrooper with the shortest of patience and him, a professional business person with an abundance of contacts and a large existing portfolio – but it works really well. Out of a total of 17 HMO conversions, seven have been in partnership with Peter, and there are more in the pipeline.

Landlord Furniture Company

About five years ago I helped a mate set up a sofa manufacturing company. That's a long and painful story for another time, but during that time I kept getting asked by the many landlords I knew in and around Greater Manchester if I could provide other furniture, so they could kit out their HMOs. As an HMO landlord I know how hard it can be to get decent furniture. I always went to Ikea by default and sometimes to a company called Direct to Manufacturer, which was opposite our unit.

After some serious thought I saw a huge gap in the developer furniture market for bespoke services along with standard furniture packs with unrivalled quality. It took six months of development to get off the ground properly but we've never looked back and in the three years we've been operating we've grown exponentially and 90% of our business is from word of mouth.

Being an investor really helps with my clients too. I get to see projects come to light from start to finish, and as I understand what they're trying to achieve I often end up offering advice along the way, which they appreciate.

On the doorstep

I'm based in Oldham, and Peter is based in Lancaster. I like to invest within 15 to 30 minutes of where I live, so that covers the Oldham and the Greater Manchester area. We also cover the Lancaster area too.

I like things to be on my doorstep, as I like to be able to see, touch and feel my investments without having to travel too far. Plus, I like to pop in and meet the tenants. The personal touch is important to me, and I wouldn't be able to do that if I was any further away. In most cases our tenants are great. We have some non-desirables like we all do, but in the main everybody is great and some of them even make a decent coffee!

Time for something bigger

After six projects together, Peter and I decided it was time to do something bigger. Most of our portfolio is four and five-bed HMOs and the biggest one we've done prior to this one was a 10-bed, which we converted from four flats.

We started looking at larger buildings and found there were many local buildings going for decent prices with great yields. Ideally, we wanted to have a cluster flat development with three or four HMOs in the building, each with four to six rooms.

CASE STUDY

BLACK SWANN PUB, OLDHAM

The property

The pub had been closed for a couple of years and was in a serious state of disrepair. It was due to go in the auction in December 2016. It had a good-sized footprint and was in a good location, right on the edge of the town centre near the tram station. It's also close to some tasty new developments, which will be built over the next few years, making the area really appealing for our tenant type.

The plan

We wanted to convert the pub into an HMO. We couldn't get inside the building because it was in a dangerous state. It had been condemned and had been boarded up for about two years, so we had to guesstimate all the calculations. We managed to get hold of an old floor plan from the brewery, so we knew roughly what the space areas were inside, which really helped. We thought we could get 15 en-suite bedrooms split into three five-bed cluster flats, but until we got the architect in, and realistically until we bought it, we wouldn't know for sure. That didn't worry us too much. We knew our budget, and even if the building turned out to be beyond repair and we had to knock it down, it would still be a cheap plot.

Once we'd bought it and we went in for the first time, we were blown away by the state of it. There was three-centimetre thick mould on every wall and ceiling and it had been ransacked from top to bottom. The lovely youngsters of Oldham had been in and taken all the lead from the roof, so there was practically no roof section that was watertight. They'd also taken all the wiring and copper piping. The internal water tap had been snipped so water was just flooding in and the building was literally wet through from the third floor right down into the basement. We were lucky it wasn't on a meter! None of the internal doors were hanging on their hinges properly and the entire interior needed completely stripping out. It was a real eye-opener.

"We replaced absolutely everything internally"

"The entire house was wet through from top to bottom"

The good news is we managed to save the whole outer structure and were able to work with the rest, practically rebuilding the entire internal building. We were also pleased to find that the building had more to offer than we had anticipated, and we managed to get 16 bedrooms and two self-contained studios out of it.

Planning

Getting planning permission was relatively straightforward. The building had been empty for so long and it had attracted some very unsociable behaviour with kids using it as a playground, so the council were happy someone was going to develop it. Planning took around 12 weeks and our architect dealt with the application for us. Oldham council are fairly easy to deal with and it all went through nice and simple for once. So we're very lucky.

Funding

Initially a friend was going to lend us the money to purchase the pub as we had £200,000 tied up in the previous project which wasn't yet completed, so when the hammer went down we paid the 10% deposit and then went to see our friend. He basically said we could have the money, but not until February, which was too late for us, as we had to pay the balance within 30 days. So we ended up running around like men possessed, trying to arrange bridging finance. This wasn't easy, especially as it was Christmas and the whole world was shutting down. Pete saved the day by raising the funds through a personal friend of his as a short-term loan, and then we went on to a development bridge. It was definitely not as straightforward as we would have liked, but thankfully we got it over the line in time. Phew!

The refurb

Works included:

- **Full strip out**
- **New roof**
- **Full re-wire**
- **Full insulation**
- **New windows**
- **New rendering**
- **Full plastering throughout**
- **18 ensuites**
- **5 kitchens**
- **2 studios**

Builders not interested

There was a lot of work involved with this project and there were so many unknowns that we found many builders weren't interested in the job, and when we did find someone who was interested it was really difficult for them to give us a fixed price. There was a lot of toing and froing and we'd owned the property for nine months before we managed to get an agreement in place. We agreed an educated figure, rather than a fixed quote, of £300,000 for the refurbishment and a completion date of 20th February 2018. Between myself and Peter we agreed that £300,000 was where it should be given the scale of the project and the possibility of unforeseen complexities, so we were happy to proceed on this basis.

I usually project manage all our projects, but due to the size and scale of this, coupled with us both running other fast- moving businesses we decided to get a project manager.

Huge learning curve

The refurbishment ran smoothly for six months under the company that was doing the works and then it all started to go wrong. We were experiencing huge delays and were not on track to meet our completion date. The work was nowhere near the standard of quality we are used to and the project manager was telling us things had been done, but when we went to site we saw they hadn't been done. It was very frustrating.

Essentially, the project manager wasn't doing his job properly and because they weren't being managed properly, the builders weren't doing their jobs properly either. It was becoming very apparent that the company had too many projects on at the same time and were struggling to manage it effectively and while looking into it I met several other developers who were experiencing the same problems.

I got more heavily involved, starting with weekly meetings to try to pull it all together. This wasn't enough, so I started going to site every day, just for half an hour to make sure everything was progressing. This dragged on for about nine months, by which time we were way over schedule. We were half way through the second fix and it would have been difficult to get a new set of electricians or plumbers to come in and finish off someone else's work half way through. So we were stuck.

We were also being lied to daily, which didn't go down well with me at all. My biggest pet hate is lying. But thankfully Peter kept me calm throughout, so I managed to keep my feet on the floor … for a while.

In the end I snapped and pulled them off the job. I managed to get a trusted builder who'd done work for us before to come to the rescue. There was over four weeks in snagging and re-doing works and that was before we realised there was a problem with the drains. The plumbing was the best mess I have ever seen. The team had literally plumbed all 15 toilets into a soak away.

We had to dig a 15-metre trench in the car park and re-route it into the cellar and then to the actual sewer. It took three guys two weeks to sort it all out.

As if this wasn't frustrating enough, we also kept getting broken into and we ended up having to install a CCTV system called Cyclops – a big eye in the sky that is constantly monitored by a company in Belgium. At £1,500 per month, it cost us an absolute fortune, but we needed the deterrent, and thankfully it worked.

TOP TIPS

If you're thinking of converting a pub for the first time, please take care to do the following:

- **Do you due diligence when buying the building.**
- **Be meticulous in what you're doing.**
- **Have a detailed schedule of works.**
- **Work with contractors who have a proven track record of doing projects of this size. Do your homework on them, go and see their projects before you agree to work with them.**
- **Get a fixed price and have a JCT contract in place.**
- **Appoint a competent project manager and monitor everything they do. Liaise with your project manager as much as possible, at least for the first few weeks and don't sign any cheques until you know the work has been done.**

"A big overspend on the refurb and a lot of lessons learned"

It's certainly been a long road to get this finished and it has cost us much more than originally anticipated. We've both got a lot of experience when it comes to refurbishments and we can't help but feel like we got stung somewhat on this one. Obviously, we can laugh about it now but it's been a big lesson for both of us and we've both had to swallow a bit of pride along the way.

On the upside, we've completed it now. It looks fantastic and we're really happy with it. Yes, we had a big overspend on the refurbishment and we've learned a lot of lessons, but we've come out the other end fairly unscathed. And we're making a healthy monthly profit. So we're happy-ish.

Tenants

We've managed to secure an NHS contract through a letting agent I know in Manchester. He phoned me up one day and asked if we were interested in housing nurses. We opened up a dialogue straight away and started discussing the contract. We were also talking to the housing association who were offering a ten-year lease. But the numbers stacked better with the NHS and the NHS can't really commit to anything longer than two years at the moment, which works well for both of us.

Essentially, the NHS bring qualified nurses over from India and other countries. They convert their Indian qualifications here and then go and get jobs at various locations in the UK with NHS sponsorship. This process takes two months, so every two months we get new tenants.

Refinance

We're currently speaking to a couple of different banks about refinancing. We normally just go with Lloyds but we're also looking at a few other options to make sure we get the best deal.

So far we've had a valuation of £765,000. We spent £625,000 in total, so it's not fantastic and we've left more money in the deal than we would have liked. **In property you have to expect the unexpected** and we'll just have to roll with what we get but considering the mess ups on the refurb side, we are fairly unscathed apart from our pride.

The numbers

Purchase price:	**£135,000**
Refurb:	**£490,000 inc finance and £25,000 on security**
Total costs including all refurb, acquisition:	**£625,000**
Rooms rates:	**£500 pcm**
Monthly rental income:	**£108,000**
Monthly bills & finance:	**£4,800 inc mortgage @ £535,000 repayment / 20 years**
Monthly profit:	**£4,200**
Estimated revaluation:	**£765,000**
Estimated money to be released post revaluation:	**£535,500**
Money left In	**£89,500 (all money out in under 2 years)**

Future plans

This hasn't put us off larger projects. In fact, we're looking at other commercial units as we speak, but this time to convert into self-contained studio flats. The two self-contained studios we did at Black Swann look really good and we've had really good feedback from the tenants, so we know they'll be popular. Plus, the council really like them as well, so we don't expect any issues getting planning permission. So, if we can find the right building, then we'll definitely do it.

If not, we're also looking for land in the Greater Manchester area to do some new builds. We haven't quite decided whether to do build to rent or build to sell yet, it will depend on the profit we can get out of it. We always like to have more than one exit, so we'll make sure to go into that with our eyes a bit more wide open than we did with the pub. Like I said before, everything's a learning curve, so we're not going to let it put us off anything and we're just going to get straight on to the next project.

CHEERS! THE ROBIN HOOD NETS £2,200+ PM AFTER CONVERSION TO BOUTIQUE STUDENT HMO

Interview & words: **Raj Beri**

Jumping straight into the deep end, Jordan and Ryan forged a partnership to take empty pubs in their area and convert them to better use. Their company RJ Property Group bought its first deal conditionally, but with more experience and confidence, and with the right professional team in place, they are now bold enough to buy without any planning in place. Each pub conversion they do is bigger than the last and their partnership to create high quality student rooms goes from strength to strength


Jordan


Ryan

YPN: Perhaps you could both start by telling readers about your background?

Jordan: After leaving school, I became involved in construction and immediately went into an apprenticeship as a bricklayer. My father used to be a partner in a large construction firm, so I just followed in his footsteps. Unfortunately, the company I worked for went into liquidation, so one of the plasterers and I decided to go to move to Australia for work. The one-year contract was to build schools and houses for the West Australian government, but unfortunately I got ripped off by my employer and had to come back home empty handed.

Ryan: When I left school, I went into my family's business of newsagents and convenience stores, which I helped to run for a few years. In the early 2000s, I came across biometrics technology and secured exclusive rights to a company called UK Biometrics, whose products allowed employees to clock in and out using fingerprint technology. I ran the company for a few years but the franchisor went bust in 2006. One of our customers owned a fitness club and I helped him grow the franchise before leaving to help run our other family business, which was a builder's merchants, and that's where I met Jordan.

YPN: How did you embark on your own property business?

Jordan: After Australia, I decided not to allow that to happen again and set up Evans Construction. I started out alone but as the business grew, I took on more people and at one point we had around 12 people working in the business. We undertook various projects including extensions, new builds, shop fitting and work for our franchise clients. Starting out from scratch was a challenge and initially I secured clients mainly through word of mouth but have since also used social media. I've known Ryan since we were children and our dads are very good friends, but we reconnected because Ryan was working for his family in their builder's merchants business, where I had an account. Through conversation, we came up with the idea of going into property together.

Ryan: My uncle, who ran the builder's merchants, was looking to retire and they wanted someone within the family to continue to run the business, which led to my decision to join the family business and ultimately meeting Jordan. We decided to become business partners as this felt like a perfect match – I had knowledge and access to discounted materials and Jordan had expertise in construction.

YPN: How did you decide which aspect of property investing to focus on and how did you fund your first deal?

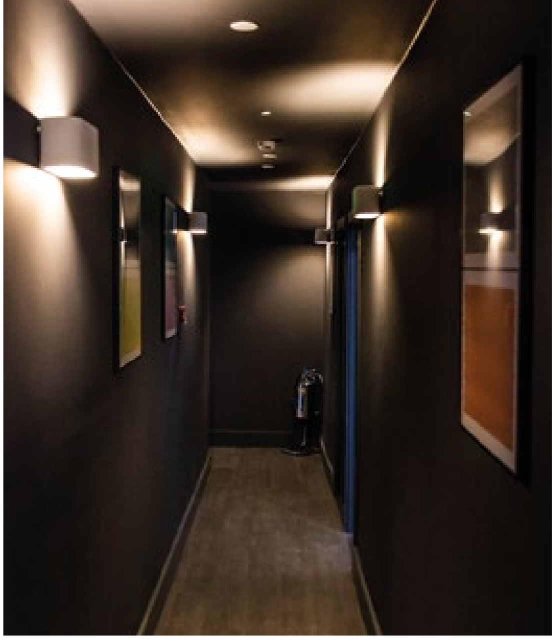
RJ Property: We were happy to get started on anything! We were passionate about property and we had complimentary skills so we just wanted to get onto the property ladder. The first deal happened by pure accident when Jordan was walking past a derelict commercial property in the city centre. A chap waiting outside the property asked Jordan if he was there to see the work. He was waiting for a builder who hadn't turned up. Jordan explained that he wasn't the builder but could help, so went into the building to have a look.

CASE STUDY 1

The Robin Hood

37 Fleet Street, Swansea

Overview:	Conversion of public house and 4-bedroom manager's flat into 11-bedroom luxury boutique HMO
Purchase price:	£150,000
Renovation:	£103,000
Furnishing:	£7,500
Buying costs:	£8,000 (Inc £1,000pm to cover vendor's costs whilst going through planning)
Planning costs:	£3,680
Cash in:	£11,600
End Valuation:	£540,000
70% LTV release:	£378,000
Cash left in:	None! All money out
Gross rent pm:	£5,340
Net rent pm:	£2,216
ROI:	Infinite



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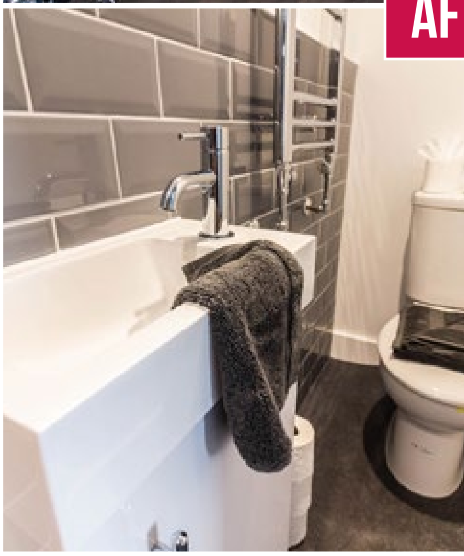

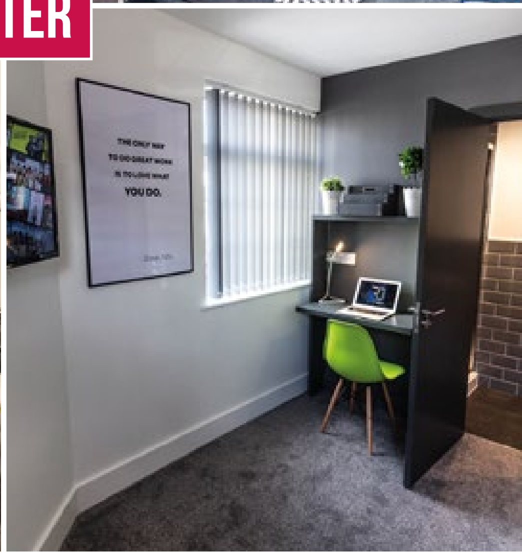

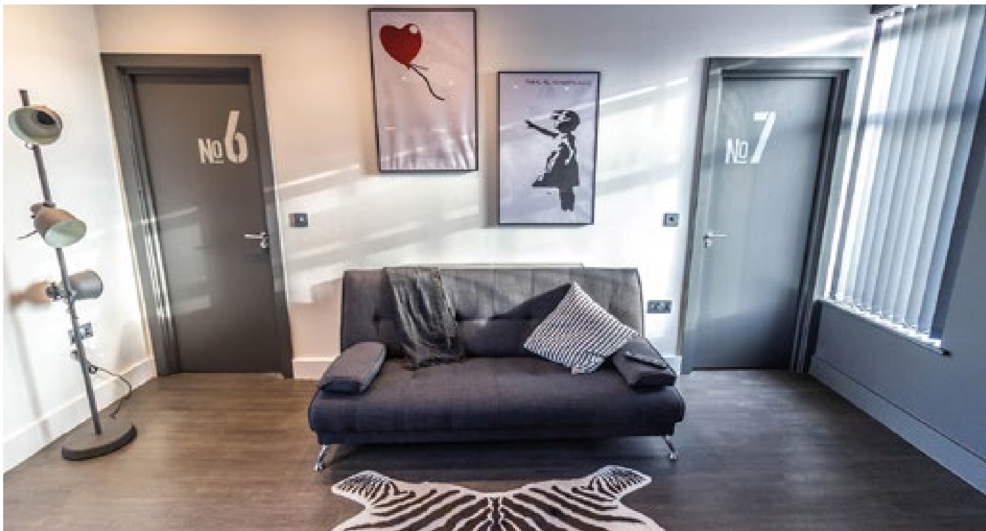

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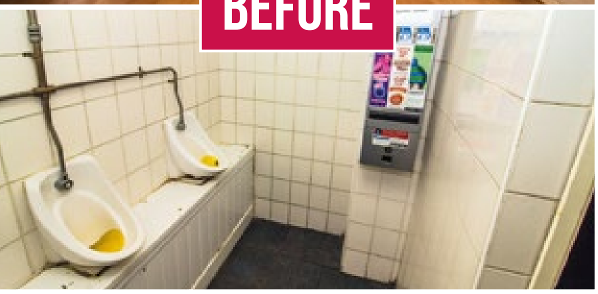


During the conversation Jordan asked if he'd be willing to sell the building rather than engaging him for the refurbishment - the owner semi-agreed and a meeting was set up.

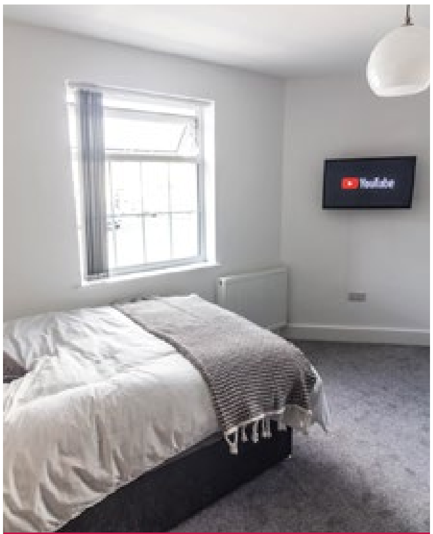
We then sat down and made a list of potential investors, which included our accountant and some people we had only spoken to a few times. We assumed that we'd need a list of three pages before someone agreed, but the first person we spoke to was our accountant who jumped at the opportunity to become our first investor. Right from the start, our business model has been to build a portfolio without using any of our own money. Our preference was to get involved in bigger commercial projects rather than single lets or flips, partly driven by our past knowledge and expertise and partly to avoid the increased competition for smaller projects.

Apart from becoming investors in our own right, we also have a construction business and this has merged with the investment arm of RJ Property Group but we only take on property developments for our own business or where we are collaborating with a JV partner. Generally, we set up an SPV between Jordan, the JV partner and myself and split the profits equally. In this scenario, Jordan and I provide the project development services at cost price and the investor provides the money at cost price.

In addition to focusing on commercial property conversions, we have also stayed local because we really understand the Swansea market. The area is booming at the moment with a huge £1.3billion Swansea Bay City Deal investment in 11 projects across the region. With the building of a brand new university, the student population is growing at the moment and we believe that Swansea is a fantastic location for investment opportunities. We also understand the local planning laws and we've got a really good local professional power team who understand the area, so unless there's a really good opportunity elsewhere, we'd prefer to stick to Swansea for the foreseeable future.

YPN: Have you reached a point where you are now very specific about the type of project you will undertake or the target market you will serve?

Obviously, within a niche there are sub-niches and our focus has been to create high-quality student accommodation. The standard of accommodation available for students is pretty poor with much of it being old Victorian houses with big rooms, high ceilings and poor living conditions. We believe there is a market for boutique high-end HMOs or purpose built student accommodation and have a five-year plan before the bigger developers move in. We have targeted big, old buildings, especially public houses, which lend themselves for conversion to student rooms. In our area, pub conversions are really appealing due to dilution of use which is a criterion applied for planning purposes. The issues with trading pubs are noise, litter and parking and each of these is significantly reduced with an HMO, which really helps with getting approval on planning applications.



"The decision to focus on student rooms was born out of the boom in the local area and the opening of a new campus. Swansea has around 19,000 students at the moment but this is set to rise to 32,000, which represents a great opportunity to get into this market early"

YPN: Could you tell the readers about The Robin Hood pub conversion – sourcing, funding and scope of works?

RJ Property: The pub is located in an area of Swansea where the football stadium used to be based and the 20 or so pubs in the area must have done a roaring trade on match days. However, a new stadium was built in a different part of the city and this has led to many of these pubs struggling. Due to lack of demand, the Robin Hood pub had ceased trading only a few days before we first spotted it for sale. We felt it was under-priced for our intended use, so we put in a conditional offer at the asking price subject to gaining planning permission.

Initially, we were caught up in a bidding war with a cash buyer, so to sweeten the deal, we agreed to pay £1,000/month to cover the pub's running costs whilst we applied for planning permission which was accepted by the brewery. The managing director of the brewery already had plans drawn up for four flats, but we didn't feel that this was maximising the GDV potential of the building. We therefore submitted a redesigned scheme for an 11-bedroom boutique HMO with six en-suite ground floor rooms and five bedrooms on the first floor sharing two bathrooms.

Valuations can be tricky but should be based on what you are planning to do with the building. The Robin Hood was priced as a pub and its value was based on its historic turnover and future potential revenue through services such as catering, but our valuation was from a completely different angle. Working with estate agents, we had a certain valuation in mind and we knew that with planning, it would have sold for nearly double the marketed price. Although ACV (Asset of Community Value) legislation doesn't exist in Wales, the local residents can object through a petition to the council but this doesn't always happen. In any event, we have a really good planning consultant who can argue a case for change of use if the business has ceased trading.

The Robin Hood has had five landlords in the past 10 years and over this time the building had been poorly maintained and had become a bit of an eyesore. The pub could have been converted into a kebab shop, or used as a nightclub or a late night venue and this change of use would be granted, but would create different challenges for the community. To get everyone on side for our scheme, we personally delivered letters to all the local residents, outlining our plans. We openly identified the issues with student accommodation and highlighted our plans for dealing with these. We talked about our strategy for litter collection and waste disposal including enclosed bin areas on the side of the building. We explained how we would deal with noise issues and gave all local residents our contact details – the aim throughout was to put the residents at ease with our plans.

Residents can object to plans by submitting objections to the council via the planning portal. If there are more than 25 signatures, the planning application is discussed at the committee meeting, where all representatives have to argue their case with the planning committee. Any decision by the planning committee must be on the merits of planning law and not emotionally based. It took about three months to get

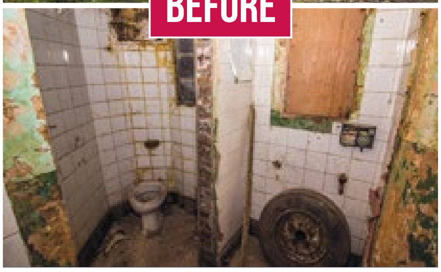
CASE STUDY 2

The Vale of Neath Arms

111 Fabian Way, Swansea

Overview:	**Conversion of former public house into 27-bedroom luxury boutique PBSA**
Purchase price:	**£190,000**
Renovation:	**£406,000**
Furnishing:	**£17,000**
Buying costs (Ltd company):	**£5,400**
Planning costs:	**£9,140**
Cash in:	**£33,540**
Estimated end value:	**£1.4m**
75% LTV release (based on £120,000):	**£1,050,000**
Cash left in:	**None! All money out**
Gross rent pm:	**£16,150**
Net rent pm:	**£8,900**
ROI:	**Infinite**

BEFORE



WORK IN PROGRESS

planning approval but the key thing is that we've now proved to the local residents that we've not filled these properties with messy students with litter everywhere. This paves the way to purchase more pubs in the area and use The Robin Hood as a strong case study to provide social proof that we can tackle the main issues of waste management and noise control. This area is full of pubs, which will gradually close down – in fact we have just completed on another one a few days ago!

As mentioned earlier, our model is to use other people's money on all our deals, so this project was funded through a combination of using investor funds at a fixed percentage, with the rest being secured through development finance. In this project, 30% of the purchase costs was accessed via investor funds with 70% from development finance and 100% of the build costs were funded via development finance. Although the financing aspects were fine, the construction time window became shorter and shorter due to delays in the planning process. Most of the rooms were reserved in January but we only had 10 weeks or so to complete the project including the snagging and be ready for the September 2018 intake.

The scope of works was quite extensive including ripping out of the ground floor and much of the first floor back to bare canvas. The staircase, windows, roof and external parts of the building didn't need extensive works, so that saved us a huge amount of time. It was one of those projects that just had to be finished quickly but thankfully, it ran really efficiently and students moved in on the 18th of September. One of the big advantages for us is that Jordan has a background in construction and can be on site every day to drive the project forward in accordance with our timeline. Our advice if you don't have a Jordan, is to find a really reliable builder and ensure everyone is making a profit. With this development, we both stayed in the converted pub to ensure everything was operational before the students moved in. *We tell the contractors that the job needs finishing four weeks ahead of the actual date, so hopefully none of them will read this article!*

YPN: Tell us about The Vale of Neath pub conversion – sourcing, funding and scope of works?

RJ Property Group: The Vale of Neath is a very iconic building which is on the main artery into the heart of Swansea. It has been derelict for over 30 years and is a bit of an anomaly because it's on a side road that has no name, so no-one really knows the address of this building. We've observed it for many years driving in/out of Swansea and we tried to find the address and ownership but without luck. Recently, Jordan spotted a guy he knew cutting the grass, so stopped by to ask him who owned the building. It turned out that Jordan's dad actually knew the owner of the building and we were able to make contact, which led to us purchasing the building after six months of challenging negotiations. The owner was in his 70s and had a lot of property in the area but now spent much of his time at his holiday home in Greece and this property was one he never got around to doing anything with.

This property was a straight purchase but he wanted to exchange with a delayed completion for tax purposes, so we exchanged in October 2017 and completed in April 2018. We had secured investment with a local businessman but a week before completion, he changed his mind so we had to find around £170,000 very quickly and this was really stressful. We knew the building had huge potential and our determination to secure it got us over the line.

We ended up meeting over 20 investors during the week and although quite a few were interested, the scale of the construction, which would exceed £500,000, put a lot of them off. Unlike the other projects, this one would have a new floor, a new roof and a big rear extension, so not just another refurbishment. In addition, there was the huge risk of buying without planning permission. Incredibly, someone put us in touch with an investor who we'd never met before and within a few hours, we had a JV partner who had funds to complete the transaction. It was a really busy and stressful time because we had received planning permission for The Robin Hood pub in May 2018 but had completed on The Vale of Neath in April 2018, with planning permission coming through in November 2018. However, the timing worked out well because we were able to go straight from completing works on The Robin Hood and start with The Vale of Neath.

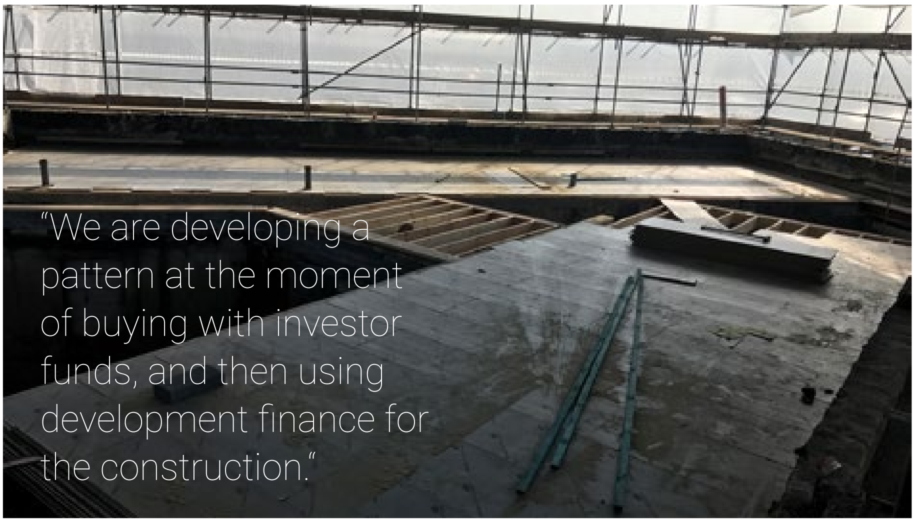
We can now move onto our latest project, which is The Singleton Hotel, and this approach is allowing us to develop a pipeline of projects. Our current approach is much more risky but we've got a really good planning consultant and being ex-council, he knows exactly how the council will appraise a proposal. We did have a fallback position and knew that if the council didn't agree to our proposal for a 27-bedroom HMO, it would still work as a 20-bedroom development of eight flats, although these weren't our preferred options.

We are developing a pattern at the moment of buying with investor funds, and then using development finance for the construction. The key aspect of our approach is having a strong power team, including a planning consultant who offers us great advice before we enter into negotiations to purchase a specific building, as he is extremely confident of the planning risk. We will shortly be submitting plans for our newest acquisition, The Singleton, which was still trading at time of purchase. We now have projects lined up for the next 12 months but if a potential deal came along, we'd have a look at it as our plans are for massive growth in the next five to seven years. Neither of us have kids so we can commit a lot of time to our business

YPN: What do you do to keep yourself motivated?

Jordan: I read a lot and listen to audio. I'm really passionate about property and that's pretty self-motivating on its own, so enjoying what I do keeps me motivated.

Ryan: I also read and listen to audio but I have involvement in other businesses including bars and restaurants and the variety keeps me motivated. Another thing that keeps us motivated is having a local mastermind group of like-minded friends of similar ages. We meet monthly and everyone presents on their successes and their challenges, and we all try to help each other progress forward. Jordan is the only builder in the group and is able to give advice to the whole group and go along and see their projects, which is really helpful.



YPN: Could you give the readers some top tips about pub conversions?

R J Property Group:

- De-risk the deal as much as possible by making conditional offers subject to planning – not every seller will accept a conditional offer but that's a good place to start.
- Make sure you engage with a good planning consultant, good architect and good commercial solicitor – they are worth their weight in gold.
- To start assembling your professional team, get word-of-mouth recommendations. Getting a professional, reliable team is critical if you have time commitments such as a job or family.
- Work within planning laws to squeeze as many rooms as you can and develop them to a high specification for ease of renting or sale.
- Don't jump in – get to know your area by doing your due diligence and assess the suitability of your scheme in terms of demand for flats or rooms.
- To de-risk further, we only consider deals where we can recycle all the capital and costs invested.

Click here to listen to the full interview with Jordan & Ryan

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BREATHING NEW LIFE INTO A DEAD PUB

Interview & words:
Angharad Owen

£3K PM NET FROM THE FORMER ODDFELLOW'S ARMS!

'Sister duo' Hannelie Ehlers and Ankie Bell's first major project together was to convert an old pub in Worksop into two HMOs. In fact, this project was one of the case studies that sent them to success when they were voted Overall Winners of Mastermind 25.

However, this was not their first venture into property. In 2006, after some brief yet unsuccessful property training, due to a clash of learning styles and questionable tactics and methods, they undertook a few refurbishment projects. In total, they bought seven properties; sold four and kept three as BTLs. But after the crash in 2008, they became nervous and left the industry, only keeping their BTLs as a supplementary income.

They focused on their own careers until 2014. Both sisters had a passion for property, and always planned on re-entering the industry as they knew it would be a safe investment for the long term. Ankie and her husband decided that they wanted to replace his income through property and revisited the idea of single lets, and she started working on their property projects full time. In 2015, Hannelie and her husband started doing the same.

In 2017, Ankie came across pin and the Mastermind network. After Ankie had attended the Accelerator course, Hannelie and Ankie joined forces, knowing that by working together they would achieve more than if they were doing it separately. They signed up for the 12-month Mastermind programme, and since then Hannelie has also been able to make the transition into property full time.

ROLES AND RESPONSIBILITIES

For some, being able to work with another person is the difference between success and failure. Hannelie and Ankie are always bouncing ideas around and are there for each other during the highs and the lows. It's healthy to talk about how a project is doing and they are lucky they can laugh and cry together.

Perhaps they work so well together because they appear to be opposites in skillsets. Ankie's strengths are finding deals and negotiating the buying processes. She is full of plans and is always brewing up new ideas, although has no interest in details. Whereas Hannelie is very detail-orientated, meticulous and organised. She loves networking and connecting with people. They work well together and both enjoy building up relationships with investors.

BEFORE

AFTER

THE PUB CONVERSION

Not only was this their first project together for over ten years, but this was their first pub conversion.

The property comprised of the pub, five rooms upstairs which had been let out, owner's accommodation and a small one-bed studio bungalow at the rear of the building. The vendors continued operating the pub until the end of February 2018, and Hannelie and Ankie completed the purchase in March 2018.

Ankie had spotted the property on Rightmove six weeks prior to doing the Accelerator course. It was on the market at £230,000 and Ankie knew that it would be a fun project to do, but the numbers didn't stack at the asking price.

Fate was on their side. The week after returning from the Accelerator course, she noticed that the pub's price had been reduced to £170,000.

They called the agent and went to view it. The vendors were a couple in their 80s. The gentleman was in ill health and therefore needed to sell quickly.

46 NETHERTON ROAD
(THE FORMER ODDFELLOWS ARMS)
Worksop, Nottinghamshire

Type of property	Pub with letting rooms above and owner's accommodation at rear
Purchase price	Purchase at £165,000 (reduced from £230,000)
Open market value	£175,000
Purchase/ Acquisition costs	£5,500
Funding method	Cash purchase initially with own funds, then placed bridge on it in month 2, for £95,000 of the purchase price
Amount of funding	**£95,000**
Borrowing rate(s)	**.98% pcm plus 2% arrangement fee and 1% broker fee**
Monthly mortgage/ funding payment	**Rolled up at the end (£850 per month deducted from end balance)**
Total money in	**£180,500 (to purchase) / £356,500 (fees and refurb included)**
Personal money in	**£85,500**

COST OF WORKS

Duration of project	8 months
Planning costs	£2,000
Planning duration	2 months
Total costs	**£165,000 (build) / £11,000 fees = £176,000**

After some negotiations, they agreed on a purchase price of £165,000. The reduction in purchase price opened up greater opportunities on what they could now do with the property.

The previous owners already had planning permission to convert the pub into two flats prior to the sale. But Hannelie and Ankie had other ideas. After speaking to their architect, they decided to convert the pub space into a six-bedroom all en-suite HMO. This involved submitting another planning application.

While they were waiting for the decision, they started work on converting and refurbishing the five upstairs rooms into another HMO.

The previous owners had owned the property for more than 30 years, and it looked like they hadn't kept up with the maintenance or updated it in that time.

The property smelled, and the walls upstairs had a mixture of condensation and cigarette tar dripping down the walls. Instead of hiring a specialist cleaning company, they stripped the walls. They had expected and budgeted for only needing to take off the wallpaper and reskim the walls. However, the plasterboard fell apart as it hadn't been updated for 30 years. One touch and their hand went straight through. But there's a silver lining, and taking down the plasterboard gave them a good opportunity to add extra insulation.

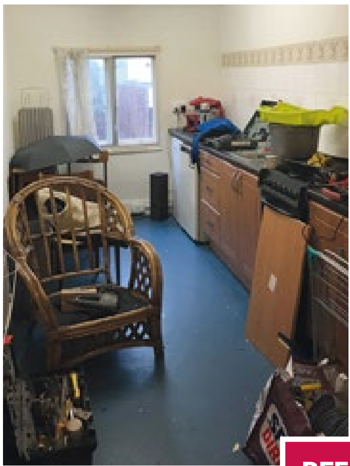
Other issues included drainage problems due to splitting the large bathroom into two smaller ones, and ensuring that the separation between the upstairs and downstairs was soundproofed. To do this, they had to install insulated floorboards in the rooms upstairs as well as soundproofing in the ceiling of the downstairs former pub.

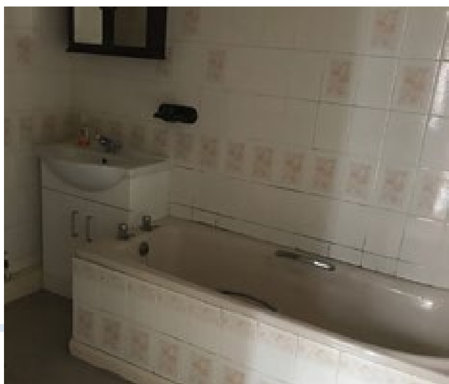
The planning application to convert the downstairs pub area into a six-bed HMO was approved in June 2018. The council had only one concern regarding parking, however the property is a five-minute walk from the town centre, and they agreed that it wasn't a deal breaker.

There weren't any objections to the planning application, as the streets around the pub mostly consist of rental houses. The property isn't in the best part of the town, however they had other HMOs in similar areas that rented well, so they were confident that this would too.

Works started upstairs in mid-March. By mid-May, the HMO upstairs was coming to an end and they had prospective tenants viewing the rooms. Rooms were reserved before being completed. They have found that the last two weeks of any project is what they call a crunch time, during which they do nothing but work.

All of their waking hours were spent getting all rooms and en-suites ready for tenants, co-ordinating cleaners and ensuring all snags were sorted out by the tradesmen. Many of the white goods and furniture was delivered, and so they spent a lot of time fitting and dressing rooms ready for the professional photos and marketing.

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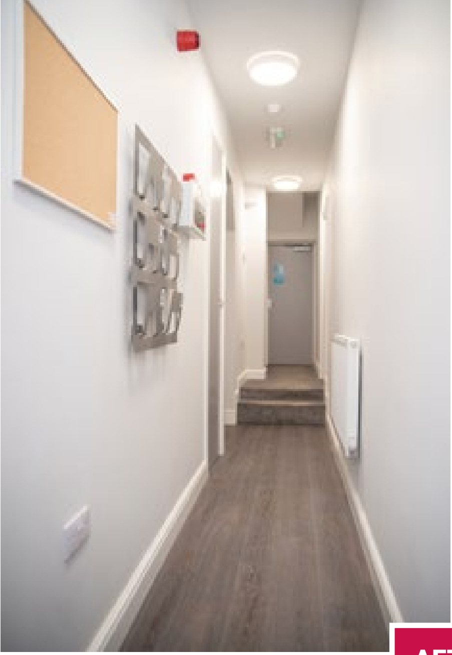

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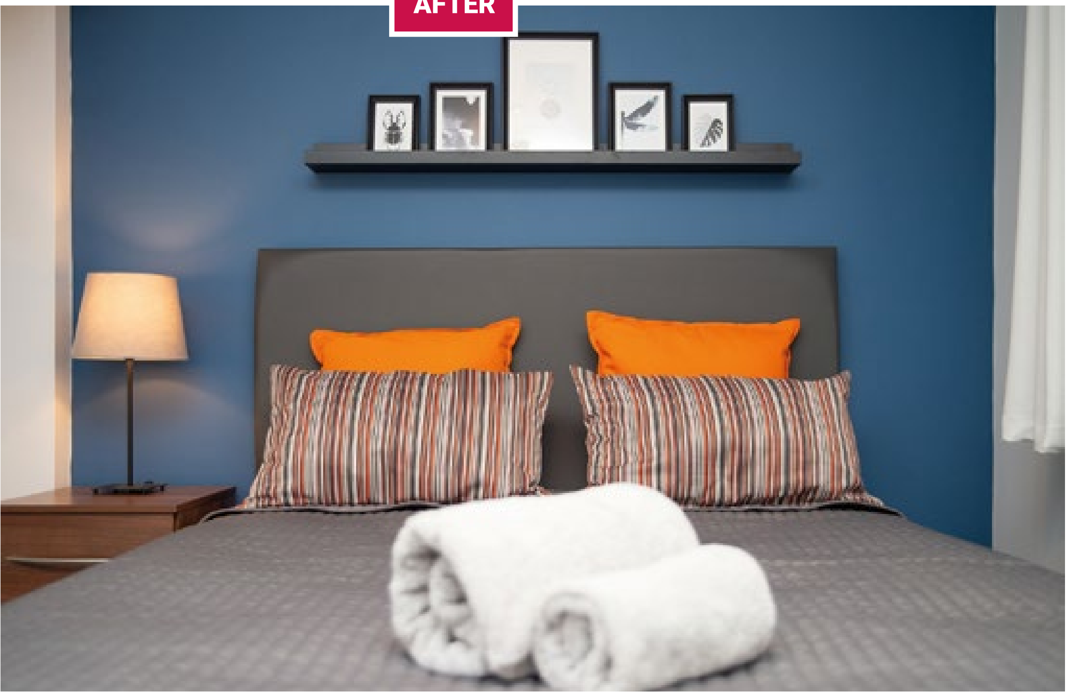


The upstairs was finished at the end of May, and their tenants moved in on the 1st of June, before work began on the conversion downstairs in July.

As compensation for the disruption due to the works, Hannelie and Ankie gifted their tenants each an Amazon gift card. One worked night shifts, and although they offered to move him into another nearby property for the duration of the works, he liked his room so much he wanted to stay.

The project was complete by the end of November, but not before going through the crunch time all over again.

Hannelie and Ankie's target demographic in Worksop are blue-collar workers, many of whom are Eastern European and work in the many large distribution centres – including B&Q and Wilko – and factories surrounding the town.

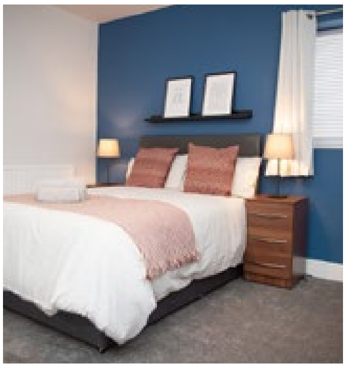
TIME MANAGEMENT

The conversion of the pub into two HMOs was not their only commitment. As well as working on the project, Hannelie and Ankie were still attending Mastermind. Hannelie was also working full time until July 2018 and was based in Hertfordshire. She lived with Ankie during the week, and travelled back home on the weekends. Her former job was flexible and she had the ability to work around the commitments of the conversion. It resulted in a lot of long hours, but it was worth it in the end.

Ankie's husband was also working away during the conversion, so she was juggling her time with raising her four children.

VALUATION & INCOME

Post-works valuation:	£475,000
Re-mortgage amount	£332,500
Rate	5%
Money left in	£21,000
Monthly income	Total gross £6,100 (avg per unit £425 pcm) there are 14 units
Bills included?	Yes
Monthly mortgage payment	£1,800
Monthly costs	£1,300
Net monthly cash flow	£3,000
% Return on money left in	170%



FINANCIALS

They bought the pub for £165,000 and the total cost of refurbishment for both upstairs and downstairs was over budget at £165,000. Although they had a contingency fund, they went over by 10%.

There were a few unexpected issues related to the age of the building which needed addressing, such as upgrading the insulation and fixing some roof tiles due to years of neglect, damp, and structural maintenance.

Other additional charges included £2,000 for a fire-resistant glass window and £5,000 for converting a cold flat roof above an extension into a warm flat roof. An extra layer of insulation was added above the roof deck, between a vapour control layer and the roof covering, to give a greater level of thermal insulation.

Their largest unforeseen cost was splitting the services and utilities between the units. Although they knew that it needed to be done, Hannelie and Ankie didn't realise that it would take five months and cost around £10,000. It was a lengthy process, particularly as all the utilities couldn't be done simultaneously. The road outside the property leads to a school and therefore the utility companies needed to apply for permission to operate a traffic light system to do the works, which could only take place on certain days of a month. The timeframe then had to be co-ordinated with the various companies.

They chose to split the utilities to ensure that there was sufficient water pressure and gas feed coming in to each of the units so that the showers and boilers were not affected by any of the others. It has also helped with managing the running costs of each unit, as it is quick and easy to address if someone is going over-budget.

When it was time to refinance, the property was commercially valued at £475,000, which was £50,000 above their goal. All original funds were drawn out and left £21,000 in the deal, a loan from one of their private investors. As a result of the high valuation, their ROI was far greater than their projections.

Funding the deal has involved a mixture of the sisters' own money, a bridging loan and investor finance. The property was bought using a combination of savings and a bridging loan, and the refurbishment was funded mostly by investors. They had loan agreements in place with their investors and remortaging the property gave them the opportunity to repay their loans. One investor's funds remain in the pub as the money left in, and is paid regular interest on that amount.

However despite being able to repay their investors, a few wished their money to be reinvested into their next project. Hannelie and Ankie keep their investors updated by remaining in regular contact. They host open days, send newsletters and offer a lend-and-learn programme for those who are interested in learning the process of refurbishment in detail by following a project.

Completing the project in two phases helped with showing investors the different stages of a refurb and conversion. It also helped that agents and prospective tenants were able to have a strong idea of what the finished product would be.

LEARNINGS

Towards the end of the project when reflecting on what they had achieved, Hannelie and Ankie debriefed on what they could improve on in the future.

Their main problem throughout the second phase were their choice of builders. They didn't have great attention to detail, and although the sisters had worked with them in the past, Hannelie and Ankie noticed that they left several snags. These included the fire doors not being installed correctly, further drainage issues, shoddy joinery and sloppy decorating.

Although Hannelie and Ankie mentioned the snags multiple times, the builders refused to come back and finish the work to the required high standard, disputing that the quality of their work was being questioned.

In the end, they had to find different tradesmen to make good. This cost them in both time and money.

Both had doubts about the builders, despite having worked with them previously. They have since learned to trust their intuition and to speak up if something doesn't feel right.

Over this project, the sisters realised that they can often be over-optimistic in terms of the timeline. They learned that for future projects, they need to build in even more of a contingency than what they think is necessary. They are also impatient, itching to get tenants settled in as soon as possible so they can move on to their next project.

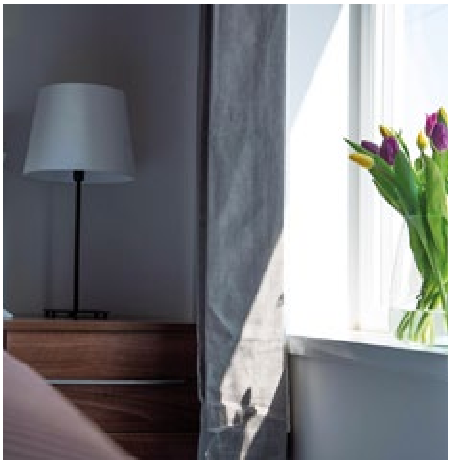
For this project in particular, time and budget were their two main concerns. The main lesson they have taken away is that a conversion will always take a bit longer and cost a bit more than anticipated, even with a contingency. Having an aggressive timeline will result in things needed to be done quickly, often at the same time. And having other projects on the go will entail many moving parts and several balls in the air. This can mount up to add pressure and stress in terms of capacity and headspace.

But despite the challenges and lessons learned, the project went according to plan. Hannelie and Ankie are proud of what they have achieved and their tenants are very satisfied with their new home.

ADVICE FOR OTHERS

If you are interested in converting a building, pub or other commercial property into an HMO, Hannelie and Ankie have the following advice:

- **Get in the specialists. The build team, project manager and other advisors will make the execution of your project much easier. Look after them and treat them well. Ask the experts to spend as much time as possible reviewing the property to make sure there won't be any unexpected costs later on. They used an external building control company to advise them along the way.**
- **Expect the unexpected. Converting old buildings can uncover many surprises. Who knows what lies behind chimneys, within the walls and behind the wallpaper. Be prepared, even if it's unclear what will be found and what will be required.**
- **Mark out walls. When the plans are drawn up, take some masking tape and actually draw out how large the en-suites are going to be in proportion to the bedrooms. Some plans make bathrooms very big, which will take away too much of the bedroom space. It's important to envisage how big the rooms are going to be to make sure that there's no skimping when it comes to communal and kitchen areas. Take the time to plan where the bed will go. Is there enough room to walk around the bed? Will it be comfortable size-wise? Doing this beforehand will help when it comes to knowing where sockets and radiators will need to go.**



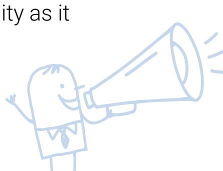
YPN SAYS

Converting an old pub building is an exciting strategy and we hope these investors' stories and case studies have inspired you.

For a successful pub conversion, you will need a good team to support you. Among others, this will include a planning consultant, architect and reliable builder. You will also need access to sources of funding because these projects can be money-hungry.

All of the investors in this feature had some property experience before taking on the pub conversion. Yet even if you are in the early stages of property investing or development, it may not mean ruling the strategy out completely. Could you perhaps team up with someone who has more experience, or tap into their knowledge in a different way? Property investing these days is as much about creativity and flexibility as it is about money.

We hope you have enjoyed this feature – and remember to look out for more on pub conversions later this year!



GET IN TOUCH

If you're interested in find out more about what Hannelie and Ankie are up to, or want to ask them for advice, please get in touch!

Website: **www.duplodev.com**

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

YOUR PROPERTY PODCAST

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PUB CONVERSIONS: THE PLANNING PERSPECTIVE

By **Jon McDermott**

As of today (24th April) there are 403 public houses for sale or for rent in the UK. Some of these are still operating, most are not. We all know of a pub with a really bad reputation, that has been closed for ten years or even longer … that pub that would make an excellent conversion.

To be honest, pubs are an attractive option for both the new or the experienced developer as it seems an obvious problem to solve. The councils need housing and the pub is vacant so let's put two and two together.

Pub conversions however can be one of the most challenging forms of development from a planning point of view. The levels of protection have increased dramatically and the effects of localism have made pub conversions an intensely locally driven issue.

Let's look at the national picture as a starting point. The 2019 National Planning Policy Framework states:

"91. Planning policies and decisions should aim to achieve healthy, inclusive and safe places which:

***a) promote social interaction**, including opportunities for meetings between people who might not otherwise come into contact with each other – for example through mixed-use developments, strong neighbourhood centres, street layouts that allow for easy pedestrian and cycle connections within and between neighbourhoods, and active street frontages; […]*

92. To provide the social, recreational and cultural facilities and services the community needs, planning policies and decisions should:

*a) plan positively for the provision and use of shared spaces, community facilities (such as local shops, meeting places, sports venues, open space, cultural buildings, **public houses** and places of worship) and other local services to enhance the sustainability of communities and residential environments; […]*

*c) **guard against the unnecessary loss of valued facilities** and services, particularly where this would reduce the community's ability to meet its day-to-day needs."*

In order to support the existing public houses, the government made changes to the General Permitted Development Order. Class A Part 3 Schedule 2 removed the ability of public houses to change use to a lower order retail use (Class A3, A2 or A1) (2017) and imposed a new Class AA, allowing for a mixed use of Public House and Restaurant to support gastro-pubs (2017).

Finally the Localism Act (2011) and the Assets of Community Value (England) Regulations 2012 gave the local communities the ability to nominate public houses as ACVs, where in essence the current or recent past use of the building must further the social wellbeing or social interests of the local community. It is also realistic to think that there can continue to be non-ancillary use of the land or building that will further the social wellbeing or social interests of the local community.

Put it this way – the house has definitely not rigged this in your favour.

Public houses however are still worthwhile conversions. I have got planning permission for them myself and they are fantastic when done. So looking at these issues, how can a developer front load their planning assessment to de-risk a pub conversion?

It's all about following the rules. Let's look at the commonalities and understand the rulebook.

We know we cannot use permitted development to help us get a pub use off the books, so the next most effective strategy is one of policy compliance. This starts with your due diligence and goes from there.

The ACV Regulations at Schedule 4 require an ACV to be registered on the title of the land or building to which the ACV relates. This provides an 18-month window for a community interest group to purchase the building or land (Regulation 13(1)). Regulation 21(1) makes clear that you cannot dispose of an ACV if it contravenes the moratorium clause in the title (Regulation 13(1)).

Therefore, if there is an ACV you will know about it through the searches before you buy. If there isn't, the big next test is simple – is the public house still active?

ACTIVE OR DEAD?

If it's active then it is likely that the public house is still providing social, recreational and cultural facilities and services the community needs. As such, the loss of the public house would not be able to comply with Para 92(a) and (c) of the NPPF. In these circumstances, either leave the pub alone or go and have a pint just to see if the beer is any good.

If the pub is dead then now's the time to have a look.

A dead public house has (probably) lost all its goodwill value. Goodwill value is the value of the business as a trading entity.
It also means that those who used to drink in the public house have moved on and are unlikely to file an ACV when the application to convert goes in. Ideally you need five years' vacancy to support this argument to take advantage of the policy conflict with Para 68 of the NPPF:

> *"68. Small and medium-sized sites can make an important contribution to meeting the housing requirement of an area, and are often built-out relatively quickly. To promote the development of a good mix of sites local planning authorities should:*
>
> *c) support the development of windfall sites through their policies and decisions – giving great weight to the benefits of using suitable sites within existing settlements for homes; and*
>
> *d) work with developers to encourage the sub-division of large sites where this could help to speed up the delivery of homes."*

You can assess the likelihood of acceptability by using permission in principle for smaller developments or for larger developments, outline planning permission. These can be achieved at a fraction of the inbound cost of a full planning permission and are legally binding with the council.

The other common policies require the building to be marketed for a period of time **as a pub and not a development opportunity.** This is in order to allow the community to express whether it wants to retain the pub by seeking to buy it outside of an ACV.

In order to support this, you normally need a marketing report in order to demonstrate that the property has been marketed:

a) As a pub
b) Online or in Estates Gazette
c) The number of years it has been marketed (normally up to two)
d) The number of reductions in price in that marketing period
e) The number of offers received
f) Why the offers were rejected

If the pub has been marketed as anything other than a public house, then the marketing report is null and void as it has not been marketed to those wishing to run a pub.

AFTER THE POLICY TESTS

Once you have passed the main policy tests …

You need then to work out the number of units the pub can take and whether you need to retain a commercial use within the building. Here are some examples:

- **If the pub is in the countryside you will probably want to gear the development towards houses rather than flats, as less is often more.**
- **If it's in a residential street in a town, you can gear to flats if the market supports this. However a mix of unit sizes is preferable based on market demand.**
- **If it's in a town centre, then you will need to retain the ground-floor retail use as there will be another planning policy governing this area of the building.**

Above all, comply with the National Standards. They are to be used on all new dwellings and are easy to follow. You can find them at: **http://bit.ly/YPN132-JMD-TechHousingStds**

TO SUMMARISE

Developing pubs or pub land is about following the rules. If you adopt our policy compliance strategy, you will find pub conversions easy to access. If not, then the rules are there to stop a developer converting the last pub in the village.

At TPX, we are producing inspiring planning approvals for everyone and have a track record for delivering policy compliant public house conversions. We follow the rules and understand the planning game in order to deliver for our clients.

Jonathan McDermott is a chartered town planner, principal town planner for Town Planning Expert and educator with Whitebox Property Solutions on Property Developers Secrets and Property Planning Masterclass.

The propertyCEO Podcast

SEASON 4

Who knew property had a funny side?

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RANT

DRAWING A BLANK

I'm sat here staring at a blank page. Acres of white stretching ahead of me. I've had our lovely editorial team nagging me to get my monthly rant in some time ago but I've drawn a blank.

It would be easy to moan about a few non-paying tenants, the fact that I've had not one, but two boilers that needed replacing this month, or the fact that the snagging process on one of our developments seems to be going on forever. But the truth is, these are all everyday things. The crap we get used to dealing with on a daily basis. I no longer sweat the smaller things so it's difficult to generate the ire for a truly heartfelt rant.

When we started out in business I took a lot of it personally. If somebody owed us money I would wage war until it was paid. If somebody lied to me or let me down, *"how dare they?"* Over the years your skin definitely thickens and I'm weighing up if this is a good or bad thing.

Back then I was like a teenager. I felt everything acutely and burned with a passion. When you are a teenager the music you are into seems terribly important, how can adults possibly understand what it's like to be **YOU**? It's the same when you are starting out in business. You are young (even if you are not actually **YOUNG**), probably naïve and you put everything into it. During the highs, you are soaring and the lows are terribly dark places.

I remember the first time I had a tenant up and leave owing me rent and leaving the flat in a bit of a state. I was apoplectic, I despaired, I raged and was despondent – all at the same time. If it happens these days, it's a pain in the backside but it's just another Wednesday. Some things go well, others don't. Some ideas fly and some fail to get off the ground. It's easy to become complacent and even a little bored. You set a goal and after much toil and effort you achieve it – but then what?

In my opinion it is massively important – no, it's essential – to surround yourself with people who want to do more, be more and achieve more. To work in a team where everyone is extremely grateful for what they have but also has a desire to grow and achieve.

This month's rant is a real ramble I know, genuine musings as the words flow onto what was previously a blank screen. I woke up tired this morning, but in a few hours our fantastic editor and my amazing business partner will be here. We will talk through the plans over the next six months for the magazine … YPN as an app and new products we are soon to launch.

By working with the right people, you inspire each other. It's bloody difficult to be self-motivated all the time. If you are reading this now and feel that sometimes you struggle to get motivated, suffer from overwhelm or you feel like you should be doing something but are not really sure what, then you are not alone. We all feel like that. You **MUST** surround yourself with people who will egg you on, inspire you and give you the confidence to take on challenges that are big and scary. It's not as scary when you face it together, and the impossible can suddenly seem possible.

Be wary of the dreamers, those who think big but do little. Your team needs to made up of do-ers – those that can take an idea and run with it, not simply those who pontificate and procrastinate. Having a gang – a group of like-minded people that can lead you on to greater things – is a must. Without them, you (and definitely I) will fall into the trap of routine, of deliberation and hesitation. We are unlikely to give ourselves the kick up the backside we desperately need if we don't see that others around us are also kicking themselves up the backside.

There is a quote attributed to Jim Rohn that *"you are the average of the five people you spend the most time with"* and it is absolutely true. If those around you don't aspire to greater things, if they are happy to tread water then the chances are high that this will be your attitude too.

It's been interesting writing this month's "rant", genuinely free-flowing and seeing what ends up on the screen in front of me. It's made me realise (or rather realise once again) just how important the people around you are.

It's time to wind up this month's column as the coffee pot is on and I can hear Jayne Owen's car pulling up outside. I feel great about the day ahead again, and I hope you do too.

RANT OVER

Ant Lyons

YOUR PROPERTY PROJECT

SENIOR CO-LIVING

A SOLUTION FOR AN AGING POPULATION?

Interview & words: **Angharad Owen**

When I started this series back in December 2017, I wanted to showcase projects that were just that little bit different and to show others that it's OK to step out of the ordinary and dare to reinvent the wheel. But this month, *I'm* the one doing something a little bit different.

This month's project hasn't even started yet, let alone finished. But it's been in the pipeline for more than two years, and as soon as I heard about what Sarah Quinlan was doing, I knew I had to find out more.

It is well-known that the UK has an aging population. According to the Office of National Statistics, approximately 18% of the population were aged 65 years or over as of mid-2017. This number is projected to grow to 20% by 2027. Yet, the current housing system for this demographic seems outdated and unsuitable for today's active retirees. Surely there must be a better solution.

Let's take the coliving concept. When we think about coliving, we tend to think about trendy HMOs, right? Our minds immediately jump to industrial interiors, young professionals and cool brand names. **BUT**, is it possible to adjust the shared housing strategy to be adaptable for those in retirement? I mean, look at our friends across the pond, where retirement villages are nothing new.

And this is what Sarah wants to develop in her home village in Sussex.

BACKGROUND

After becoming an accidental landlord in 1992, Sarah has worked on building her property portfolio alongside her job. She worked in the City of London, and therefore had easy access to low-rate mortgages. At 40, she gained her MBA and left the City to set up her own online marketing business.

She continued building her portfolio as well as her business. In 2015, Sarah joined Mastermind 18 with her property business partner, where she learned a lot about the opportunities of property investing. She currently owns and manages 12 BTLs and HMOs, and sold her marketing business in February 2017.

THE PROJECT

While Sarah was enjoying some drinks with her friends, the conversation topic turned to one that many will be familiar with: retirement plans.

"One of the things we kept coming back to was where we were all going to live," Sarah explained.

"Clearly, living in residential homes and nursing homes is not attractive to anyone."

Thus, the idea of coliving for the 65+ was born.

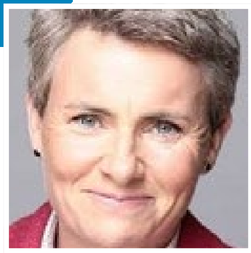
Coincidentally, at around the same time, the local vicar retired. The new vicar now lived in a different village, and the large, six-bedroom Victorian vicarage, with its three acres of land, right in the centre of the village, was now redundant.

"I thought, if I'm going to do this co-living scheme for me and my friends, then I might as well cut my teeth on one for the village first," she says.

Homes for this age group is not a new concept. There are retirement houses, sheltered accommodation and homes available to those who need or want it.

But Sarah's plan is simple. She hopes to build 20 eco-friendly bungalows, each catered for the over 65s. The vicarage will be transformed into the social hub of the new retirement complex, where people can socialise, eat together and host events.

Many retirees are living in houses that are much too big. Often, their children have grown up, left home and might even be raising their own families. By encouraging people to downsize, several houses will be released onto the market, and hopefully attract young families to move into the area.



TIMELINE

It all started in 2016. Sarah placed an offer to the Church of England (CoE) for a 12-month option to allow enough time to gain planning permission for the bungalows. Although the CoE were broadly supportive of what Sarah wanted to do, they didn't move very quickly in terms of negotiating the option. And it took until December 2018 to agree on the terms and sign the deal.

"It all got kind of expensive and slightly fraught at the end. I basically had to give them a deadline, as I didn't want to spend another two and a half years dealing with lawyers."

Just before Christmas 2018, they agreed on a 12-month option with a purchase price of £1.1million. Depending on where they are with the planning process, there is the potential of a six-month extension.

Two and a half years is a long time. Within that time, there have been a lot of changes. On a national level, Brexit has had an impact on financing and costs of labour. And on a local level, the boundaries of the village have been redrawn by district planners, and a part of the vicarage's land now resides outside of the village limit.

The small piece of land outside of the boundary is now defined as countryside, and therefore is a rural exception site. In order to gain planning now, many more boxes need to be ticked than if the boundary had stayed where it was.

But what exactly does rural exception mean?

It is a piece of legislation in place to protect the countryside. It is possible to build with it in place, but there are a number of criteria to be fulfilled before doing so. One of which would be to provide a high proportion of affordable housing.

However, specialist housing for which there is a local need qualifies for exemption. As Sarah hopes to provide 20 age-appropriate eco-friendly bungalows and encouraging a social way of living, which hasn't been done before in the area, she is allowed to build.

THE VICARAGE
WESTLETON, SUFFOLK

Type of property	Georgian Vicarage with Victorian additions, in 2.5 acres
Strategy for this property	Secure a 12-month option to buy it from the Church of England. Seek planning permission to build 20 bungalows on the site and change of use of the Vicarage from residential to social hub. Raise funds, develop it and then sell 16 off the 20 units to repay all debt, with the 4 remaining bungalows rented on an affordable basis
Purchase price	£1.1m, exercise of option when full planning is obtained
Open market value	£850k-£1.2m
Funding method	We've secured a number of grants & commercial loans, subject to pp, and will look to private finance/crowdfunding for the remainder
Deposit paid	Nil
Amount of funding	**£4.6m**
Borrowing rate(s)	**5%-12%**

COST OF WORKS

Duration of project	2 ½ years so far! Another 12 months to get pp, then build out and sell
Architects fees	£120k
Planning costs	£97k
Tree survey and report	£750
Any other surveys/ professional costs	£22k
Total costs	**We're working on £1,700sq m, 85sq metre per bungalow, plus £250k Vicarage refurbishment budget**

WORKING WITH THE CHURCH OF ENGLAND

Working with the CoE was no easy feat. As they are a charity, they need to achieve the best market value when selling assets. There were no true comparables in the area, the only way to know its true value was to place it in for auction.

"Obviously it would have been difficult to buy it at auction, because we wouldn't know whether we were going to be able to get planning permission for the build," she says.

Buying at auction would have been a substantial risk. The costs of purchasing, particularly legals and stamp duty, were too high. If planning permission wasn't granted, they would have lost all the money spent so far.

LOGISTICS OF CATERING TO 65+

Feelings of isolation and loneliness are big problems for retirees living in rural areas. If people feel they can't leave their house, be it due to disability, a loss of independence or mental problems, their environment will begin to shut them in.

PLANNING

Although Sarah has had some preliminary talks with the council, she still needed to submit a pre-app as soon as she had signed the option agreement.

They had a visitation from members of the planning department, conservation and tree conservation. All three were positive about the project, and were very helpful in their comments about what could and couldn't be done.

When the written response came through, Sarah was surprised at how negative the 14-page review was. She did however take some comfort from the fact that they had taken the time to go into so much detail about what needed to be done, including site surveys and archaeological digs.

So far, they have undertaken several surveys including bat, archaeological and, in the vicarage's case, structural. The main problem is that the site is next door to a grade I listed thatched church in a conservation area, and they need to be sympathetic to this.

ASSESSING DEMAND

Sarah has recently held a public consultation in the village. *"Over the last two and a half years we've talked about it ad nauseam to the locals, but now we really needed to get their feedback."*

The results of the consultation were extremely positive, with 86% of people saying they were familiar with the concept of co-housing or co-living, and 96% thought that a scheme of this nature would be good for the area.

To help combat this, the bungalows will be designed specifically for this market, including level access throughout the site for those in wheelchairs and with disabilities.

But also, one of the problems with the current retirement home system in the UK is that people moved in to the new building when they were 60 and haven't left for 30 years. Meaning that there isn't much of an age range, and a new generation of active 60-year-olds often don't want to live with people 20 or 30 years their senior.

This is a tricky issue to tackle, because people will often purchase a home in a retirement complex with no intention of leaving. One of Sarah's priorities would be to ensure there is a diverse age range within the complex. So far, people who are interested in moving into the new bungalows range from 65-year-olds who want to downsize, couples in their 70s who want to remain social, to a very active and independent 93-year-old.

Sarah hopes that her new village will be a place where people can live independently for as long as possible, with the help of technology. For instance, every bungalow will have specialist lighting installed, to help those who may suffer with early onset dementia.

However, there will be a clause in the lease that if the resident can no longer live independently, or needs specialist care, they will need to take the necessary measures to move into a more suitable accommodation.

On the other hand, many people can continue to live independently with the help of carers. Having several people who need this level of assistance living in one place will be a huge benefit for the social workers and carers.

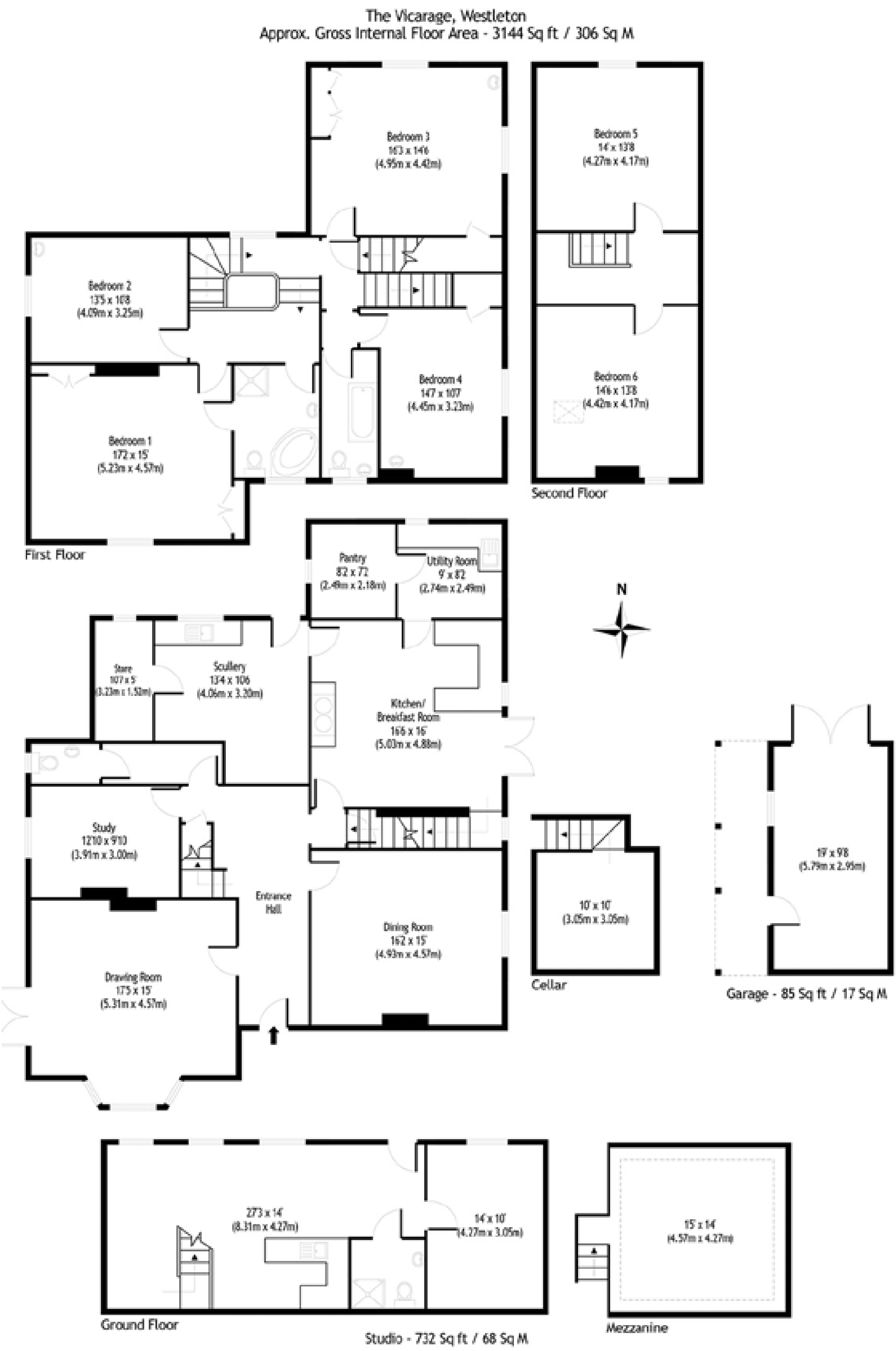
There will be some criteria in order to meet in to qualify to move in, including understanding that there is a diverse range of people, and being in control of their own finances. But before moving in, residents will need to have a Power of Attorney and a will in place, in case of situations where the resident would no longer be able to be self-reliant. There will be a form of recruitment and selection process to maintain the balance.

ECO-HOUSING

Sarah wishes to create passive homes, which is a demanding but voluntary energy efficiency standard. A passive home would be so well-insulated that it maintains a constant temperature on its own, and has no leakages of heat or any cold air draughts. However, the downsides include occupiers not being able to have the freedom to leave doors and windows open.

It wouldn't be an easy method of living for the 65+. Instead, she hopes to use a well-insulated modular build, where the internal temperature of the bungalows would be a minimum of 16 degrees. In colder months, the house would then only need to be heated a by a small amount. Each property would therefore only need a small or shared boiler, along with underfloor heating.

This has an impact on not just the environment, but also the costs of living. People over the age of 65 generally have fixed incomes, so saving money on heating will be an advantage for those on tight budgets.



FINANCING

Sarah currently has a soft loan from Suffolk County Council. She approached them and explained that if the project is a success, it could save the council a lot of money in social care costs further down the line.

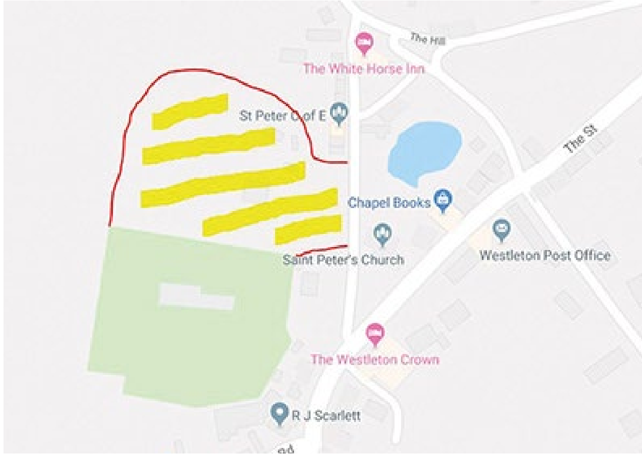
The council have been very supportive. The loan only needs to be repaid if the scheme goes ahead and all units are sold.

Until the time of writing (March 2019), this is how the project has been funded. There are several funding options available for new community housing, and Sarah hopes to apply for grants once they are further along with planning. However, they plan for 70%-80% of the scheme to be financed commercially.

As it is a community interest company, it is recognised as a not-for-profit social enterprise. Once the site has been purchased and developed, all debts will be repaid by selling 16 units. The remaining four will be rented on an affordable basis. From then on, costs of running the complex will be covered by the service charges paid by residents and a profit share on any increase of value from bungalows when they are sold on.

Utilising natural powers, including solar, and ground and air source heat pumps, the running costs of each property should be less than what the residents would have been paying previously in their own homes.

It is rare for a project investor to do such a large project without the end focus being profit. But Sarah lives in the village, and loves it dearly. She is passionate to bring a new lease of life to the village and to those who are approaching the autumn of their life. *"If we can build 20 bungalows and create a fantastic environment for people who were feeling a little bit gloomy about getting older, then it's a worthwhile thing to do with my time, I think."*



VALUATION & INCOME

IF SOLD

Sale price	£320k-£350k per bungalow
Profit	Nil – it's a community enterprise company so it's a break even budget

LEARNING EXPERIENCES

Sarah has learned a lot, particularly when it came to community enterprises. She had built her own businesses in the past and was used to doing everything herself. But with a social enterprise, it came with a lot of consultations and meetings with the wider community.

Sarah has also made some useful contacts within the local enterprise partnerships, county and district councils. It's been interesting for her to see what the issues are from a regional perspective.

"Obviously the UK has an ageing population, but in this part of the Suffolk coast, we have a massively aging population. Our economically active people are disproportionally smaller than our retired people.

"People come here once they've retired. Which is fine for a while, but then there's an obvious pressure on social and health care services."

The research has led her to find out about the technology available to install into the new properties. Much of the specialist technology is in early stages of development, and it is becoming an area that a lot of organisations are keen to research. Sarah is currently working in partnership with Samsung Home Technology Department in Cambridge.

THE FUTURE OF THE PROJECT

Sarah hopes to have the project finished as soon as possible. Hopefully, they will submit the planning application in June 2019, which will take at least three months to turn around.

She expects that the planning will be rejected, on the basis that the land is considered as countryside, but has faith that the decision will be overturned by councillors on the planning committee. The plan will be to go out to tender for the build in early 2020, once the option has been exercised.

If they do go down the modular route, it will be a quick build, and therefore they might be finished by autumn 2020. *"That's quite an ambitious timetable, and it's assuming that we get funding and planning."*

GET IN TOUCH

If you're interested in finding out more about what Sarah is doing, get in touch below:

Website: **www.glebemeadow.co.uk**
Email: **sarah.quinlan@glebemeadow.co.uk**

CLICK HERE TO LISTEN TO THE FULL INTERVIEW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1st of June changes to Letting Agency fees come into force.
What does it mean to your business and the industry?
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BROKER TURNS INVESTOR
A VIEW FROM THE OTHER SIDE

CAUTIOUS STEPS LEAD TO MAJOR DEALS FOR GARETH MORGAN

Interview & words: **Angharad Owen**

Mortgage advisor Gareth Morgan started investing in property after seeing his clients getting great returns. He utilised his position to learn as much as he could, and has taken a slow and steady investing route over the past few years. We caught up with him to see what he did and how his career has helped him.

BACKGROUND

Gareth chose to do a degree in business studies, knowing that he wanted to work for himself, but not knowing exactly how or what he wanted to do. He met Chris, now his business partner, through some mutual friends at university. Chris was a mortgage broker working from home and was therefore able to choose his own hours. He inspired Gareth to do the same.

In the autumn of 2008, right in the middle of the financial crisis, Gareth took his mortgage advising exams, and joined Chris at First Financial Solutions (Wales) which had been set up the previous September. Up and running for ten years, they now have six brokers and three support staff.

Six years ago, Gareth met some successful local investors at a networking meeting who encouraged him to attend pin meetings. Attending these gave Gareth the opportunity to educate himself in the investment side of property and to build his confidence to start investing himself.

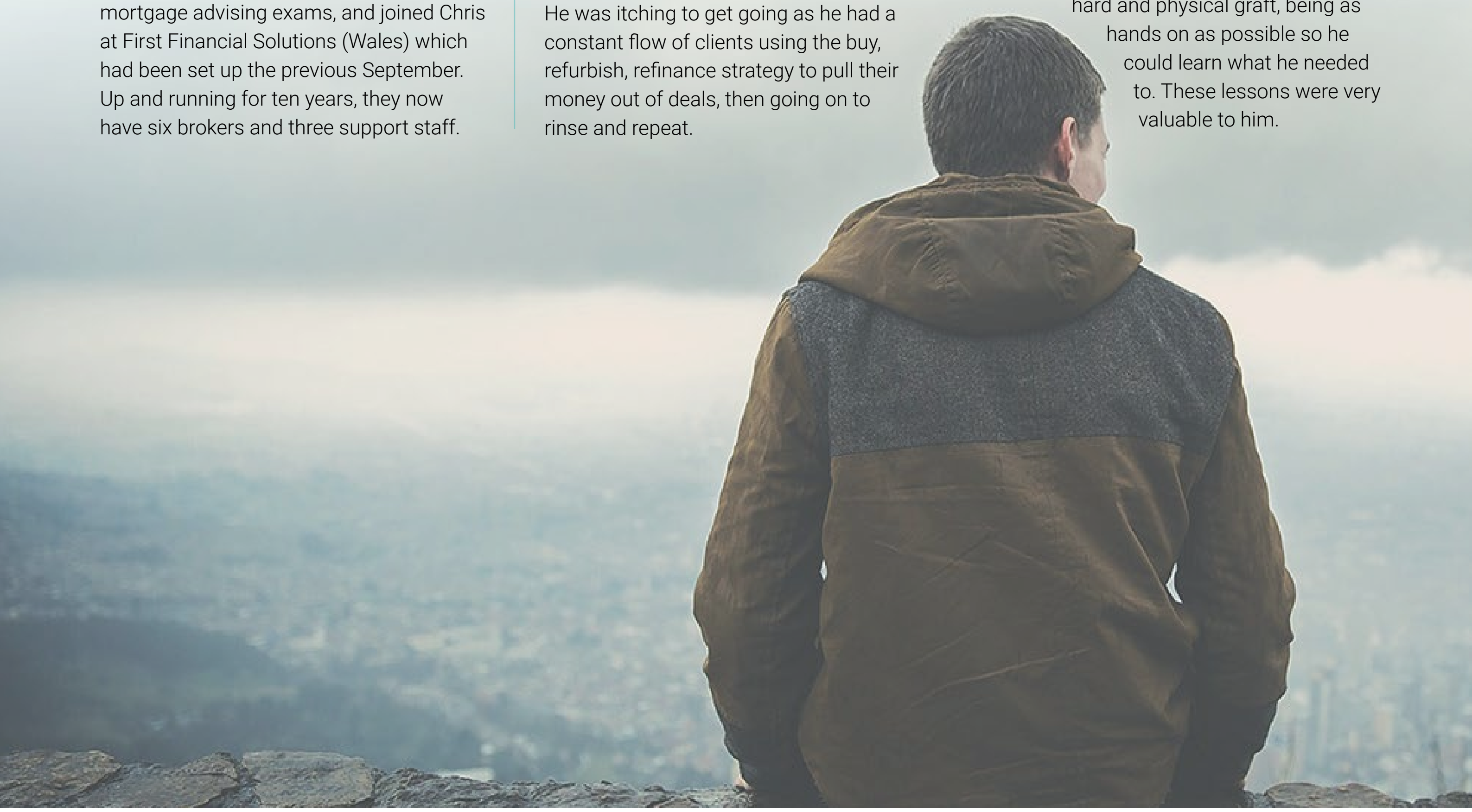
He was itching to get going as he had a constant flow of clients using the buy, refurbish, refinance strategy to pull their money out of deals, then going on to rinse and repeat.

EDUCATION

Gareth was in the fortunate position of being able to learn fast from his day job. He took advantage of his position as a mortgage broker and took the opportunity to keep asking his clients questions. How did they do it? How did they find the deal? How was the deal structured?

After several failed property purchases, he finally got his first deal underway with the help of his parents-in-law. Together, they bought a house, did it up and rented it as a single let BTL.

This first deal gave him the initial confidence boost he needed. He then bought his next residential property with his partner for below market value and did a full refurb on it. Prior to these, he had no building experience and learned throughout these two projects the process of refurbishment. He got involved with the hard and physical graft, being as hands on as possible so he could learn what he needed to. These lessons were very valuable to him.



CROFT ROAD, NEATH

Type of property	Mixed – commercial ground floor & 3 flats above
Purchase price	£115,000 vendor loan
Purchase/ Acquisition costs	£1,500
Vendor loan monthly payments	£500
Funding method	Investor deposit £40,000
Amount of funding	**£115,000**
Borrowing rate(s)	**8%**
Total money in	**£116,500**
Personal money in	**£0**

COST OF WORKS

Duration of project	12 months to refinance
Total costs	**£30,000 refurb**

VALUATION & INCOME

Post-works valuation	£170,000
Re-mortgage amount	£119,000
Rate	3.99%
Money back out	£0
Money left in	£26,000
Monthly income	Shop - £666 Flat 1 - £350 Flat 2 - £350 Flat 3 - £400
Monthly mortgage payment	£879
Monthly costs	£124
Net monthly cash flow	**£755**
% Return on money left in	**34.8%**

In terms of formal training, he was introduced to the pin education programmes through the networking meetings, and attended a couple of one-day courses. As well as extensive reading, webinars and being a member of property Facebook groups, he did a few Progressive training courses. But he soon reached a point where he wanted to do more with his investing.

He felt that he needed a push and a level of accountability, so joined the 12-month VIP programme with Progressive.
He chose to focus on the buy, refurb, refinance model, as he needed to pull as much money out as possible to continue investing.

The need to recycle money was based on using investor funds as he didn't have any of his own. He and Chris have now worked with a number of investors on their projects.

Gareth loves the process of buying a property, spending some time to do it up, moving tenants in and refinancing it. It can be time-intensive, but once it's done, it can continue paying forever.

THE FIRST "PROPER" DEAL

His first proper deal after gaining some formal education involved a vendor's

loan. It was a house in Neath town centre, and he drove past it every day on the way to work. It was on the market for more than it was worth, but it comprised a shop on the ground floor and three flats in poor condition above it – it had no electrics as the previous tenants had ripped them out

It wasn't mortgageable in its current state, so he needed to figure out a way to buy it. He analysed all options available to him, and met up with the vendor to discuss if they could come to an agreement. They settled on a vendor loan and a purchase price of £115,000.

However, there was a complication. The property was part of a portfolio of three properties and the bank needed £40,000 to release it from the loan that covered the portfolio. Gareth found an investor to lend him enough for the deposit, which was used to complete the purchase.

With the deposit, the property was released from its loan and was now unencumbered. The vendor lent Gareth the difference to complete the purchase, and on the day of completion a tenant was signed for the commercial unit on a five-year lease. This gave Gareth an income which could cover the interest for the loans from the vendor and the investor.

One of the main benefits of using vendor and private investor finance is that Gareth owned the property from day one, unlike with a PLO. Once the refurbishment had been carried out, the six-month mortgage barrier was approaching, which meant they were able to apply to remortgage the property.

But he still needed to find money for the refurbishment. He put the word out widely, asking everyone he could possibly ask to lend him the funds. Looking back though, he realised that he was going about it the wrong way. If he couldn't prove that he knew what he was doing, why should anyone else trust him? In the end, his parents, having seen what he had learned throughout the first two refurbishments, had confidence in him and decided to invest. The refurbishment of the flats cost £30,000.

The total rent for the building, including the commercial space, was £1,766 per month. It was remortgaged on a commercial deal with Lloyds on a 15-year repayment of £879, which after £125 per month in costs, leaves a net profit of £755. After the remortgage, they kept £25,000 in the deal, yielding around 34%-35% return on cash left in.

WHAT IS VENDOR FINANCE?

Vendor finance is a relatively uncommon strategy. But how does it work? Under normal circumstances, Gareth would have purchased the property using a mortgage and a deposit of £40,000. The remaining £75,000 would be provided by the mortgage lender, and on the day of completion the two amounts are added together to give to the vendor.

But in this case, the vendor had a mortgage of £40,000, which was paid off using Gareth's deposit. Instead of receiving the remaining £75,000 on the day of completion, the vendor agreed to lend it to Gareth as a loan with a fixed-rate interest for the first 12 months, after which the rate would increase significantly. This gave Gareth the incentive to get the deal done as quickly as possible.

The vendor also had a first charge on the property, ensuring that Gareth couldn't sell it to anyone else before the loan was repaid. The vendor was protected, had his own legal advice and the deal was structured securely.

The property was remortgaged for £119,000. Gareth was able to repay £75,000 to the vendor, £40,000 to the investor, plus interest, and had a few thousand left over to cover fees and some of the refurb.

BROKERING TO INVESTING

Having started out as a mortgage broker, Gareth believes that the experience from this role gave him a springboard for learning. He had access to several clients who were going out and doing the types of deals he wanted to do. His career allowed him to understand and identify the mortgage and financing options available, something that people new to investing often find difficult.

His other strengths lay in sourcing and analysing deals, so he needed to spend some time developing and refining new skills.

But Gareth's main learning curve was to gain knowledge on how to undertake the refurbishment of properties. He spent a lot of time speaking to builders and watching them work to gain an understanding of the various elements of the job.

WHAT'S NEXT?

Gareth's next project is a step up for him. We always hear of those whose first deal allowed them to instantly replace their income, but Gareth believes that it's important to do the small and simple deals to gain as much experience as possible.

The property came up at auction, and it comprises three shops and 12 flats. Gareth, along with a JV partner, purchased the building for £166,000, plus £4,000 purchase costs.

The three shops on the ground floor already have tenants, one on a long lease, one two years into a five-year lease and another who had just signed up for a five-year lease. Already from day one, it was generating £17,000 per year.

The flats above are in a very poor state, but don't need any major structural work or planning permission. Gareth has budgeted £200,000 for the refurb.

All in, they're looking at costs of just over £370,000. It is difficult to estimate a value as there are no comparables in the area, however based on a gross rent he hopes to achieve £67,000-£68,000 when fully let. Some valuers would put 10% on that figure to calculate the value of the building, but Gareth has been a lot more conservative in the analysis.

He is aiming for anything over £500,000 and is currently working at the mid-point of £550,000 when stacking the deal. That should allow for £152,000 profit in equity, and refinanced at 70%, he should be able to get £385,000 back out.

A 15-year repayment mortgage would cost a monthly payment of £2,800, and after other costs, he would be left with around £2,000 per month net profit.

At the moment, he is tendering out the work, and hoping to start by the end of May 2019.

If this one goes well, he hopes to do one or two of these types of deals per year.

THE MARKET FROM A BROKER'S VIEW

We've frequently written about the changes in the market in the pages of YPN recently, including the mandatory 3% stamp duty, Section 24 and the Prudential Regulation Authority (PRA) which has affected how BTL lenders assess deals.

Before the changes, the affordability calculator needed the rental payment to cover the mortgage payment on interest only by 125% at 5%, Now, it has been amended and the stress test can be up to 170%, depending on the tax bracket and property type. The rules are also different for those looking to purchase through a limited company.

There has been a lot of competition over the past few years in terms of competitive rates. More non-high street lenders have come to the market, offering a multitude of options.

WHAT ARE THEY LOOKING FOR?

- **Do you have a deposit?**
- **Are you credit-worthy?**
- **Does the property itself stack up?**
- **Is it in a good condition?**
- **Is there a strong rental demand for that type of property?**

Obviously, there are more boxes to tick but these are the most important elements to bear in mind.

Knowing what strategy to use on a property will make it easier when approaching a mortgage broker. As there are so many products and options available for all types of strategy, knowing what you want will make it easier to find the right product. A good broker can help you with this.

First Letting Solutions

First Financial Solutions Wales

TOP TIPS FOR A NEWBIE INVESTOR

- **Get your credit report.** Gareth recommends Experian or Equifax. This is important for mortgage brokers.
- **Do you own your own house?** Not everyone going into investment is a homeowner, whether it's by choice or necessity. If not, you need to be able to afford the BTL property as if it were your own home, which means:
  - ***25% deposit***
  - ***Your monthly rent income would cover the interest on the mortgage payment. This can be by 125%-145%, and is based on the interest coverage ratio (ICR).***
  - ***Your annual income must be able to supplement the mortgage***
- **Invest in education.** Speak to as many people as you can and keep picking up on tips. Most people are more than willing to sit down for a coffee and share their secrets.
- **It's not as daunting as you think.** It's just about getting the first one done. It's almost a case of going out and buying anything. Obviously, no- one wants to lose money, but don't overthink the first one and use it as a learning curve. You'll soon realise it wasn't as bad as you thought.
- **Believe in yourself.** This industry is not for the faint-hearted. There are ups and downs, and you have to be able to keep your emotions in check. Things will always go wrong, and tenants might trash the place. But if you're in a good area, there are plenty of other (better!) people who will move in.
- **Make a list.** As long as you're making progress every day, then that's what counts. Gareth has a daily to-do list, where the top three things are the most important. He tackles these before starting on anything else.
- **Exercise.** Build your energy and stamina to get more done!

CONTACT

If you're interested in finding out more on what Gareth is doing, or are interested in some advice from a mortgage broker, please get in touch.

Website: **https://www.firstfinancial.solutions** and **www.firstletting.solutions**

Facebook: **First Financial Solutions Wales / Gareth Llŷr Morgan**

Instagram: **@garmogs**

Click here to listen to the full interview with Gareth

HOW TO MANAGE YOUR HMO STRESS FREE

By **James Davis**, portfolio landlord & CEO of Upad.co.uk

The key to running a successful and non-stressful HMO is to be in it for the right reasons. As a landlord, you should know this option is better for you than letting out to a single tenant.

UNDERSTANDING THE DIFFERENCES IN LEGISLATION

In some instances, you'll need planning permission and a licence. The requirement depends on:

- **The number of tenants**
- **The relationship between tenants**
- **The location of the property**

In cases where the property is either a four or five-bed HMO with more than four occupants, you need mandatory licensing. If you are letting out, make sure to check whether you need licensing.

DEALING WITH UNIQUE PROPERTY MAINTENANCE REQUIREMENTS

HMOs need to always showcase adequate means for escape in the event of a fire and multiple fire and smoke detectors. Depending on the size of the property, you may need to provide a fire extinguisher and blankets. Councils and landlord associations are a good place to find out more about these issues.

As a landlord, you are in charge of keeping communal areas clean and in good condition. A cleaner can be a big stress reliever. Having these areas cleaned a couple of times a month by a professional both improves the value of your property and you can have regular updates on the condition of the property and the behaviour of the tenants.

DRAFTING PROPER CONTRACTS WITH TENANTS

The best way to manage the stress of managing HMO tenants is to focus on drafting proper contracts, and don't forget the communal areas. Each individual contract must have an inventory of these areas, including furniture and fittings the tenants share. What about the responsibility of these communal areas?

You need to set up a clear system of joint responsibility. If you make it obvious that everyone will have an equal amount deducted from their individual deposits to fix damages and undertake repairs, you go a long way to avoiding tenant complacency.

ESTABLISHING COMMUNICATION CHANNELS FROM THE START

You should also look to establish open communication with your tenants and encourage them to communicate not only with you but also with each other. For example, you could set up a WhatsApp group to ensure everyone is informed about any issues regarding the property. This is much easier for alerting them to gas safety visits, for instance, than having to individually talk to each tenant.

Just ensure you maintain proper boundaries. You don't have to become their best friend, but stay friendly. Always maintain professionalism in any such group discussion.

Make sure you also maintain a position of landlord and not referee. It's all too common for tenants to have the occasional bust-up, but it's not your job to take sides or solve their disputes. Encourage them to talk rather than fight.

DEALING WITH VOID PERIODS

There are different ways of handling voids. If you have a student house, you can consider allowing the tenants to keep letting during the summer months for a lower rent, even just to keep their stuff there. If your rental yield can bear this, it might be a worthwhile choice and it prevents you from having to look for another tenant every year. Depending on how competitive your area is, you might even be able to charge a slightly higher rent which will cover some of the slack caused by students leaving for the summer. You could even consider vetting your students more carefully and favouring those who plan to stay over the summer to work. This is a sound strategy, although you can never guarantee the person's plans won't change over the year.

The beauty of letting an HMO to students is that you can at least plan as there is a regular cycle. If they do move out and you live in a popular area, could you let out your property as a holiday let over the summer? Or if you're a live-in HMO landlord, you could even consider Airbnb?

Overall with HMOs, the important thing is to focus on your relationships with tenants. If you have great tenants, don't be afraid to use them as an introduction to new ones.

It doesn't mean you can skip the vetting and interviewing process, but good and reliable tenants will likely know others just like them who are looking for a room to rent.

James

VOLUMETRIC MODULAR VS SIPS PROS & CONS

PETE CRAIG

Interview & words **Heidi Moment**

This month Pete Craig talks us through how to assess a site and the pros and cons of different construction solutions. If it ticks all the boxes volumetric modular wins hands down, but if it doesn't there are still plenty of options before resorting to bricks.

PLENTY OF OPTIONS AND FAST RETURNS

Traditional construction is often the first and only port of call for most developers when it comes to designing their build, and in some circumstances it can be the best solution for a particular site. But in the next five or ten years, problems with skill and brick shortages are going to have a real impact on smaller building companies and developers, so it's important to understand and educate ourselves about the myriad of different solutions available.

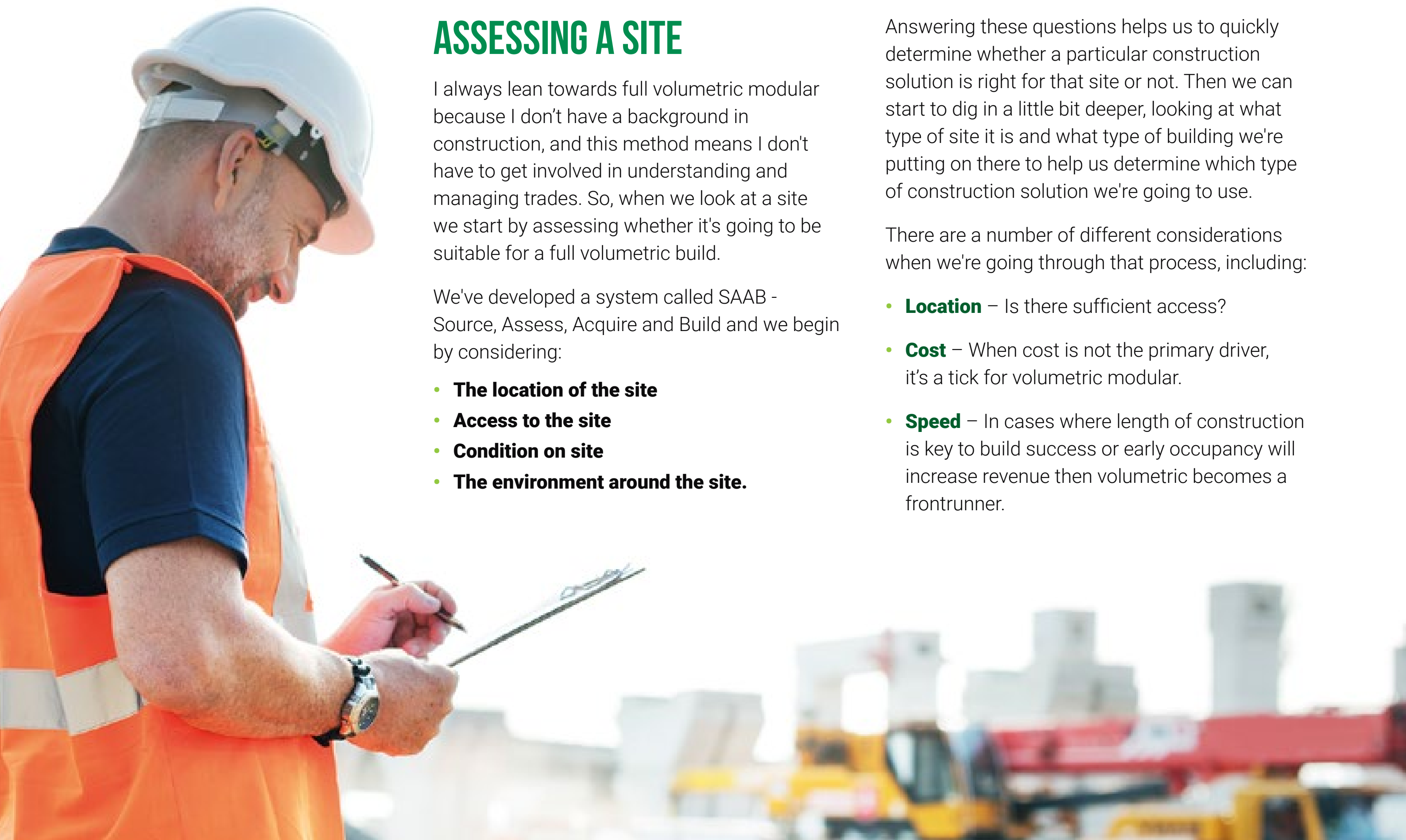
Skill shortage: 22% of the entire construction industry workforce are over 50, and 15% are over 60.

Brick shortages: Some SME builders are now waiting between 16 weeks and 12 months for brick deliveries, which isn't sustainable for small developers.

(Source: PCB Today - planning, BIM and construction – magazine)

When choosing the right construction solution for a development, there are plenty of alternative options, including structurally insulated panels, volumetric modular, steel-framed systems, timber-framed systems, plus other alternatives, such as high-performance concrete, polystyrene hybrids and steel/timber hybrids. There are even systems that utilise shipping container carcasses, and recycled timber blocks as seen recently on *Grand Designs - The Street.*

The benefits of OSM include higher energy efficiency resulting in more sustainable buildings with lower running costs, as well as increased speed of construction, meaning you can see the returns much quicker than with traditional build.



ASSESSING A SITE

I always lean towards full volumetric modular because I don't have a background in construction, and this method means I don't have to get involved in understanding and managing trades. So, when we look at a site we start by assessing whether it's going to be suitable for a full volumetric build.

We've developed a system called SAAB - Source, Assess, Acquire and Build and we begin by considering:

- **The location of the site**
- **Access to the site**
- **Condition on site**
- **The environment around the site.**

Answering these questions helps us to quickly determine whether a particular construction solution is right for that site or not. Then we can start to dig in a little bit deeper, looking at what type of site it is and what type of building we're putting on there to help us determine which type of construction solution we're going to use.

There are a number of different considerations when we're going through that process, including:

- **Location** – Is there sufficient access?
- **Cost** – When cost is not the primary driver, it's a tick for volumetric modular.
- **Speed** – In cases where length of construction is key to build success or early occupancy will increase revenue then volumetric becomes a frontrunner.

- **Quality** – Consistent quality is key for high-usage, high-spec developments, such as student accommodation, build to rent and hotels, again putting volumetric at the top.
- **Materials** – Depending on where and what you are building, certain materials may be specified by planners or may be desired in order to deliver a specific outcome. It's important to consider this, as it will impact the type of construction you go for.
- **The end user** – The end user or the intended use should be considered. For example, if your end user is a housing association you are likely to be building at a lower cost per sq ft than you would for the open market.
- **GDV** – Full volumetric in most areas is either the same or more expensive than traditional build, so there needs to be a certain level of GDV achievable in the area to make it work from a commercial perspective.
- **Profitability** – In many cases profitability for developers is the primary driver, but in some cases depending on who the end user is, there are situations where speed, quality or the environment may well be higher priorities, which can lead you to make different choices about the construction system you're going to use.

"Cost isn't always the primary driver"

PICK A MANUFACTURER

Once we've completed the assessment, if everything meets the criteria we'll move forward with volumetric modular and start to look at which manufacturers we can use and what products are available to us. Then we'll start pricing everything up.

If the site doesn't tick all the boxes for volumetric, then rather than just jumping straight back to traditional we start to look at other methods of offsite construction, such as structurally insulated panels.

Let's look at the pros and cons of both.

STRUCTURALLY INSULATED PANELS OR SIPS

A structurally insulated panel is a pre-assembled panel with an insulating panel in between. It can be used for walls, floors, ceilings or a roof element that make up the superstructure of the building. They are pre-fabricated offsite and are delivered to site where they are assembled quickly.

Advantages

- **Speed to build** – far quicker than brick and block, in most cases SIPs can increase the speed of the site construction by anywhere between 10% and 30%.
- **Less waiting time for products** – many suppliers hold stock of the prefabricated panels, so panels are almost called off from stock and delivered to site, which speeds things up massively.
- **Less labour intensive** than traditional brick and block construction, as the panels make up large sections of a building without the need to lay bricks.
- **Provide better quality**, higher tolerances and better performance due to the nature of the manufacturing process.
- **Flexibility** – there is some flexibility when it comes to the build – you can go higher or lower. You can leave bits out and change direction in order to change the shape or size of a particular room.
- **High energy efficiency** with u-values ranging from 0.10 to 0.19 depending on the type and specification.

Disadvantages

- There are disadvantages to every single build system, but the one that stands out with SIPs is that it is only one element of the build process, meaning there are still many elements of traditional construction to complete the finished product. Depending on the spec, you still need an outer skin of brick or render and an internal skin of plaster. Plus, you still need to get all the services (plumbing, electrics) in, and fit the kitchen, bathroom and flooring.
- Also, the panels are still exposed to the elements during the build, which means there's still a potential issue with the products and house getting wet before it's made watertight.

BEST TIME TO USE SIPS

From our perspective, if volumetric isn't an option and doesn't tick all the boxes, but we still want a speedier build, better performance, keener pricing, and an element of modern methods, then we would certainly look at using SIPs panels.

SIPs are particularly useful when site access is limited or reduced, as panels can be ordered in specific sizes, which can make it easier to access a tight site. So when you know access is limited then SIPs panels make a far better alternative than even bricks, because having loads of bricks delivered in places where storage is an issue can cause problems as well.

VOLUMETRIC MODULAR

Volumetric modular is a series of fully fitted six-sided boxes that are transported to site stacked on top of each other to make up a house. Depending on the design of the house, it will come in a number of modules, for example, a four-bedroom house is delivered to site in four modules; two for the ground floor, and two for the upper floor. Each module is between 12 and 15 metres long, and between 3 and 4.5 metres wide, so a large lorry is needed to transport them. They are craned into place on top of the foundations, the two lower levels first, then the two upper levels are dropped on top and bolted into place.

Advantages

- **Fully completed with outer and inner skins, electrics, plumbing, floors, kitchens and bathrooms already installed** – the services will already have been run to the site, and then once the modules are in place you just need an electrician and plumber to connect everything up, commission it and sign it off.
- **No risk of the weather damaging any materials** or affecting the build process. Delivered to site waterproof and watertight.
- **Reduced timeline** – building in two locations simultaneously (laying the foundations on site whilst the house is being built in the factory) reduces your build time by 50% to 60%.
- **Build speed** – 12 weeks from start to finish (development size dependent, of course).
- **Assembly time on site** – could be as little as six hours.
- **More sustainable** – high energy efficiency and easy to achieve Passive House standards. Reduced ongoing running costs.

Disadvantages

- **Size of units** – the pre-assembled modules are typically anything from 12 to 15 metres long and between 3 and 4 metres wide. So your site needs access to a huge 18 x 5 metre lorry. This is an issue in some situations.
- **Less flexibility** – they're pre-assembled and pre-completed, so less flexibility in the design and build process on the fly, unless you're designing from scratch.
- **Building inspections** – there are challenges with this, as it can make it difficult for the building inspector to make an accurate valuation based on the different stages of build, or level of completeness, as they do with traditionally brick-built houses. As you can imagine they might go to site one day and see only foundations, then they go the next day and the house is done. This makes it very difficult for them to quantify and see that the building has been put up to the right standards. BOPAS is an off-site property assurance scheme that's now in place, so if your property has been accredited by BOPAS they are confident it has been built to regulations and gives them the go ahead to value it in the same way.

BOPAS
Buildoffsite Property Assurance Scheme

> "Services are already in, so you just connect them up and you're good to go"

COST COMPARISON

It's difficult to compare the costs, as volumetric modular is a completed product, whereas SIPs panels are just one element of the build process, so it's almost like comparing chalk and cheese. However, if you compare volumetric to traditional build it is currently a bit more expensive, depending on the type of product you're using, the type of building you're constructing and the location.

Prices are higher in the south of England than they are in the north. We're seeing £1,000 - £1,850 per square meter in the north, compared with £850 - £900 for traditional construction, but in many areas of London it is in excess of £2,000 per square meter, for both traditional and volumetric.

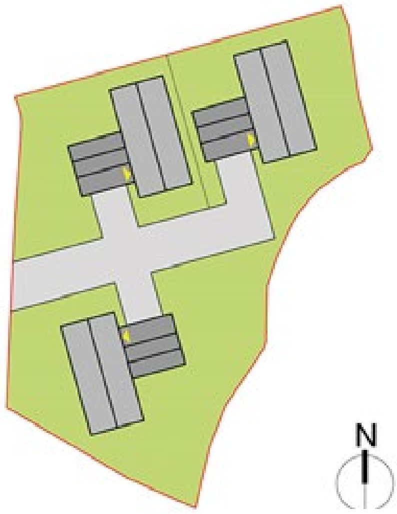
MORTGAGES

There are 25 to 30 mortgage lenders in the market now who will lend residential mortgages on homes constructed of modern methods. The easiest way to ensure you can sell your modular development and the new buyer will be able to get a mortgage is to use manufacturers and housing systems that are approved and accredited by BOPAS.

THE TAKEAWAY

- Do your research and due diligence.
- Work with manufacturers to understand their product and the space, and who can support you in your developments.
- Ask the manufacturer to explain all the pros and cons and potential challenges before you go ahead.
- Get the right support.

CASE STUDY



Custom Homes

Sales

These will be sold off-plan so we expect the profit to be realised very quickly.

Costs

Land:	**£40,000**
Build:	**£780,000**
Comparison to traditional build cost:	**Approx £720,000**
Total costs:	**£849,120**
Site GDV:	**£1.155 million**
Sale price per property:	**£385,000**
Profit:	**£305,880**
U-value:	**0.12**

The site

This site in Llangynog, Wales, was identified, placed on an option and subsequently acquired by Rhys and Carys Lloyd at Customs Homes, mentees on our mastermind programme. The site has been submitted to planning for three homes.

Passing the criteria

The reason this particular site works for this type of construction is because it ticks all the boxes; easy access, the area is strong enough to make a profit etc.

The plan

To build three four-bed detached houses, using an off-the-shelf nHouse design. nHouse create distinctively designed properties – very modern, high quality and extremely energy efficient.

"12 weeks to build 3 x 4-bed houses"

Planning

Early feedback suggests the council don't see any reason why this won't be passed, but they would like the exterior aesthetic to be a little bit closer to what's already in the local area. This isn't an issue because the outer skin can be changed, so it's not a cause for concern.

Timings

Speed of delivery is an important factor with this one, so volumetric modular is perfect. Once planning is complete it will take 12 weeks for the houses to be on site. Compared with 9-12 months for traditional construction.

CONTACT

BISHOPS GATE DEVELOPMENTS

For more information about off-site/modular construction contact Pete or Andy through their website, or come along to one of their training events.

http://www.bishopsgatetraining.co.uk

info@bishopsgatetraining.co.uk

Click here to listen to the full interview with Pete

BUYING WISELY

EPISODE 2: HEATING SYSTEMS

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

As the largest landlord buying group in the UK, over the years we've met just about every boiler manufacturer out there. Like manufacturers, the conversations can be wildly different. But as you'd expect, soon enough we'll hear the claim that their boiler is one of the best in the market.

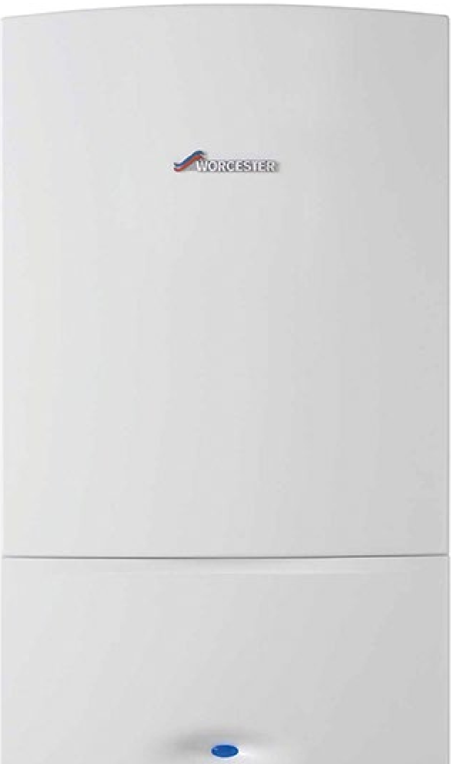
Who can blame them? Of course every manufacturer believes they're the best in the market! But whether you're a landlord, a tenant or a homeowner, no-one is rushing back home to admire their combi boiler in the evenings, whatever the brand.

But it has been important for us to participate in every one of these meetings. Choosing the right boiler will not only make or break a property's rentability, but also effect the amount of attention the property will need going forward.

This month we're looking at how to get the right boiler for your rental properties, and what you can do to make the most of your money.

GETTING THE RIGHT PRODUCT FOR THE JOB

Getting to know what makes a great boiler involves a few things: researching what components are sitting under the cover, understanding what can go wrong and how quickly they will be resolved if they do, and which boilers are the least likely to break down in the first place.



A WARRANTY VS A GUARANTEE

The best way to find out how quickly a problem will be resolved is to research the manufacturer warranty. Check how long the warranty is for and how versatile it is in the first place.

To take an example from our own experience, all of LNPG's boilers come with a five-year warranty as standard as part of our contract. But even with this level playing field, the majority of boilers our members buy are supplied by Worcester Bosch, the UK's number one boiler manufacturer with roughly one third of the market.

And they hold this majority for good reason. Not only do Worcester Bosch boilers have the fewest breakdowns across the country, further mitigating your risk in the first place (source: Which? Magazine), but each boiler is backed up by a guarantee, not a warranty.

This means that if something were to happen, Worcester Bosch guarantee to come out and get you back up and running with no call-out cost. All you need to do is ensure the boiler is fitted and annually serviced by a Gas Safe Engineer, which you'll be doing anyway.

THE HEAT EXCHANGER

Taking things under the cover, the main component you're going to need to be aware of in your boiler is the heat exchanger. Its function is relatively straightforward. It converts the energy from your fuel into energy in your water, or to put it simply, to exchange the heat from one source to another.

What could go wrong, eh? Well, it's the way the component does this that can sometimes cause problems. In order to transfer energy most efficiently, the heat exchanger is made up of some very narrow channels, which can be blocked by limescale or magnetite if your heating system is not filtered or treated correctly. If your boiler begins making a mysterious clunking sound, this is more than likely your problem.

So what can you do to overcome this?

KEEPING IT CLEAN

Keeping boilers running efficiently is one of the best ways a landlord can protect their portfolio of heating systems. It can save on time and money for both the landlord (especially for the HMO market where most landlords pay the bills) and the tenant, as well as remove the stress that is inevitably involved with boiler breakdowns.

LNPG have built up a partnership with ADEY, whose MagnaClean magnetic filters are the market leaders in heating system protection. The benefits of a magnetic filter are endless and are plain to see for everyone involved. Throughout the life of a heating system, radiators and pipework inevitably corrode with this debris being dragged through the system, potentially entering the boiler. The installation of a filter will ensure this debris and corrosion is collected before it can do any major damage to the internals of the heating system.

Alongside a filter, the use of chemical water treatment is critical to ensure optimum boiler efficiency. Unfortunately, chemicals tend to get overlooked particularly within the landlord community. It's important to check which chemicals are required within the heating system to ensure that your system is in peak condition, especially as going without can cause underperformance and invalidate your boiler's warranty.

CLOSING

It's easy to switch off and let your installer worry about how your heating systems will work in your rental properties, but by simply taking more of a front seat and paying attention to some important aspects, you could save yourself a lot of time, money and hassle in the long run.

For more information on any of the above, give us a call on 01455 23 44 99 or head to our partners' websites:
www.adey.com
www.worcester-bosch.co.uk

By **Chris Worthington**

THE BUY-TO-LET MARKET OVERVIEW

The latest UK Cities House Price Index, published by property investment analyst Hometrack, include the following main findings for the 20 cities in the index:

- **All 20 cities are recording positive year-on-year house growth with an average increase of 2.4%**
- **The growth rate in London has edged higher to 0.4%**
- **Regional cities continue to post average house price growth higher than their region as a whole**

The league table of the 20 cities places **Leicester** at the top with a year-on-year growth rate of **6.8%**, followed by **Manchester** (**5.8%**) and **Glasgow** (**5.7%**). This is a familiar pattern of the highest growth rates being in the north of England and Scotland. A more significant finding is that cities that had very small or negative growth rates in recent months, including **Oxford**, **Cambridge** and **London**, have returned to positive growth.

But the real star performer is **Aberdeen** with a year-on-year growth rate of **1.8%**. Although modest enough, it is a real turn round from negative growth rates in recent years because of the long-term decline in the oil industry in the city.

London has several distinct housing markets including prime inner London, the central London boroughs and the outer London boroughs that are popular for commuting. In the Hometrack House Price Index for London local authorities, there is a familiar pattern of the highest house price growth being in the outer London boroughs, while house prices in the more central London boroughs are fairly static or falling slightly.

Now I must declare an interest … For many years I have owned a property in Tooting in the London borough of Wandsworth.

Tooting is well connected with two underground stations and a mainline link to Blackfriars in Central London, and the M25 is 30-40 minutes away via the London south circular. Primary and secondary schools in the area are rated good or outstanding. Terraced houses are available for **£375,000** (two beds) to **£725,000** (three beds). Two-bed flats are from **£350,000**, three-bed flats are from **£500,000**. Compared to many other London boroughs, Tooting has relatively cheap housing.

However, the mortgage on my property is coming to term in about a year and according to the latest Hometrack, year-on-year house prices in Wandsworth are falling by 1.8%. One year ago the situation was similar with a year-on-year decline of 1.7%. Should I consider selling now or hang on and hope for a Brexit Bounce … if/when we get an agreement with the European Union.

I also need to take into account the forecast growth in rents in London, and here the evidence has a greater degree of certainty. According to Rightmove, the supply of rented property in London has fallen over the past two years. BTL investors have sold up because of the changes in stamp duty and tax relief on mortgage interest payments. As a result, London rents are quickly rising to reach an all-time high with an average rent of £2,093 per month.

I found another angle to my decision to sell or keep the property in Tooting in a quote from Badi, the room-renting website: *"Tooting is one of London's most up and coming areas, it is no longer a poor relation to neighbouring Balham and Clapham. It's become something of a rental hot spot among students and young professionals and has developed a reputation for hip hangouts and quirky restaurants."*

So my question in a nutshell is, will Tooting become the new Hackney? Doubts were forming in my mind until I found out that Lonely Planet had named Tooting as a cool neighbourhood to visit in 2017, because of the curry corridor, Tooting Bec Lido – the UK's largest swimming pool – and a number of quirky bars and restaurants. Tooting also has an excellent outdoor market, pleasant local parks and is on the 20km Wandle Trail, a popular walking and cycling route.

The same report from Badi also identified Shepherd's Bush in West London as up and coming. Previously known a shabby and rundown part of London with cheap housing, it has been transformed in recent years by the Westfield shopping centre – one of the largest shopping centres in Europe. The £8billion investment in nearby White City is also well underway. White City is becoming a true West London destination, with excellent transport connections, an unrivalled innovation campus from Imperial College, BBC engineering and studio facilities, the creative hub at White City Place, and thousands of quality new homes.

Returning to the subject of my property, Tooting has relatively cheap housing and good facilities that are attractive to people with a modern and healthy lifestyle who like to shop local. But the key question is how long the upward trend will continue, when it is partly based on somewhat intangible factors such as fashion and lifestyle in the context of a London housing market that is fairly flat?

A similar question could be asked for areas of other major cities that are becoming fashionable but have no major regeneration schemes underway to boost the housing market as is the case with Shepherd's Bush.

This is a tricky issue to deal with. In addition to the basic research on infrastructure, local facilities, rents, property prices and yields, I'll be looking out for information in the local and national press, talking with local businesses and meeting with local estate and letting agents. A working holiday from my home city of Bristol in Tooting? Possibly … but I have got an invitation to stay with some friends in Sicily, so that may come first.

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

IS IT TIME TO DEVELOP A VIEW ON THE SCOTTISH MARKET?

By **Paul Merrick**

Once upon a time, many property speculators were blinded by the bright lights of London and the promise of untold gold that paved its streets. But their happy-ever-afters are now being thrown into stark relief. Long-term investor and developer, Paul Merrick, explains why some property professionals are choosing a new setting for their property story: Scotland.

London and some parts of the south of England have seen property prices dropping at rates comparable with the 2008 crash, and industry experts are predicting that London house prices will fall between 3% and 15% in 2019 (Moneywise). While this may be very pessimistic, there are few experts predicting any major growth in the London market for some time. Canny investors have realised that a strategy dependent on guaranteed short-term capital growth could be as much a fantasy as it is a liability.

Hence, many property professionals, investors and developers are deciding that it's time to turn the page on the London fairy-tale and to look further afield for opportunities. Wary of the difficult legal and tax situations incumbent in investing abroad, they're considering other parts of the UK and finally discovering one of the best-kept secrets in the UK property industry: Scotland.

NORTH OF THE BORDER

Often overlooked by a London-centric media, Scotland has steadily positioned itself as the next big opportunity for the astute. Characterised as a land of hills and glens, Scotland is not just a pretty Brigadoon fantasy with a skirl of pipes and a swirl of tartan. In fact, the Scottish property market has seen some amazing property price increases over the last few years.

The Registers of Scotland (ROS) reported in February of this year that the average price of a property in Scotland was up 2.4 % on the previous year.

Whilst Scotland's property market as a whole is buoyant, it's worth focusing down to the regional variations within that wider success story. The biggest price increases were in Midlothian and Stirling where average prices increased by 15.2% and 8.3% respectively.

For those new to Scotland, there are probably questions about which type of properties and which sectors to consider. Interestingly, the ROS reported that all property types showed an increase in average price when compared with the same month in the previous year. Semi-detached and terraced properties showed the biggest increases.

As prices have risen, there has been a drop in the number of sales. BBC Scotland reported in March 2019 that volume of sales had fallen to 100,998. Decreases were noted in 22 out of 32 local authority areas.

DEMAND GROWING FOR HOMES AND CONVERSIONS

Falling sales figures may seem surprising in a market where prices are increasing. However, the decline in sales actually highlights another opportunity for the shrewd property professional. Sales have declined because there is a lack of available property in those 22 local authority areas. New investment, new developments, new commercial to residential conversions and new builds could help solve the problem and meet this identified need.

Investors from other parts of the UK, and in particular the south of England, could take advantage of this opportunity by bringing new housing to this buoyant market.

There is a clear lack of quality housing on the market helping drive the sale prices up. However, the deficit between supply and demand is such that even an influx of new investors and developers would not push prices down. According to analysis included in a BBC report (January 2019), *"about 7,000 fewer homes a year are being built in Scotland than needed."* In fact, academics and housebuilders agree that there is a continuing need for at least 23,000 new homes a year. That figure rises to 25,000 if you add in extra homes needed to catch up with the backlog.

This shows that the demand for new builds is clear and that small- and large-scale developments by investors, developers and builders could help fill this requirement for new housing without negatively impacting on pricing.

SCOTTISH MARKET STABILITY

Partly, this market pricing stability can be attributed to some of the other differences between the Scottish and English property markets, including the cost of housing in relation to household income.

In London and parts of the south of England the average house costs **more than eight times** the average household income. In Scotland the average house costs **less than four times** the average household income. Given that most mortgage providers in the UK prefer to lend at four times the average income, this makes Scottish property more affordable.

Even the property experts agree that the differential between household income and average house prices bodes well for Scotland. Zoopla, the RCIS and Hamptons International all expect values to rise and predict that areas in Scotland will continue to be among the top performers as house prices remain affordable in relation to local earnings.

Some of the other advantages of building in Scotland can be the availability and cost of labour. The average monthly net salary (after tax) is £185.34 less than London, according to NUMBEO.

> "The overall forecast for Scotland is strong and different locations offer different opportunities depending on your property strategy"

Growth deals and city region deals are funnelling investment to local authorities to encourage them to better utilise the inner-city sites they already own. Consequently, most small investors and developers are looking to the commuter belts and rural havens that exist only a short drive from every Scottish town.

Twenty to thirty minutes from most of Scotland's busiest cities, you'll find beautiful scenery, rugged landscapes and some of the best outdoor activity locations across the UK. Scotland is almost unique with this proximity between city and country living. Unlike London professionals who often have to live in shared flats during the week before escaping to the countryside, most Scottish professionals are able to live in the countryside and enjoy a short commute to work. Almost 90% of Scottish workers live within 25km of their workplace. As NHS Scotland informs any new doctors who are relocating: *"Scotland's cosmopolitan, modern cities are within a short distance of unspoilt rural locations."* Many buyers are tempted to purchase in Scotland because they can indulge their love of outdoor pursuits and rural living alongside a city career.

This presents its own opportunities. Most larger developers only think of cities as being the money makers but in Scotland the rural location can be just as profitable, if not more so. Especially for the first or second-time developer prepared to build out smaller developments of say one to five houses.

There is also a real opportunity in Scotland to build houses suitable for the tourist industry, from holiday lets to accommodation for tourism staff.

For those property developers hankering over a *Grand Design*-style project, a rural Scottish development could also provide the opportunity to create a bespoke house in a stunning location.

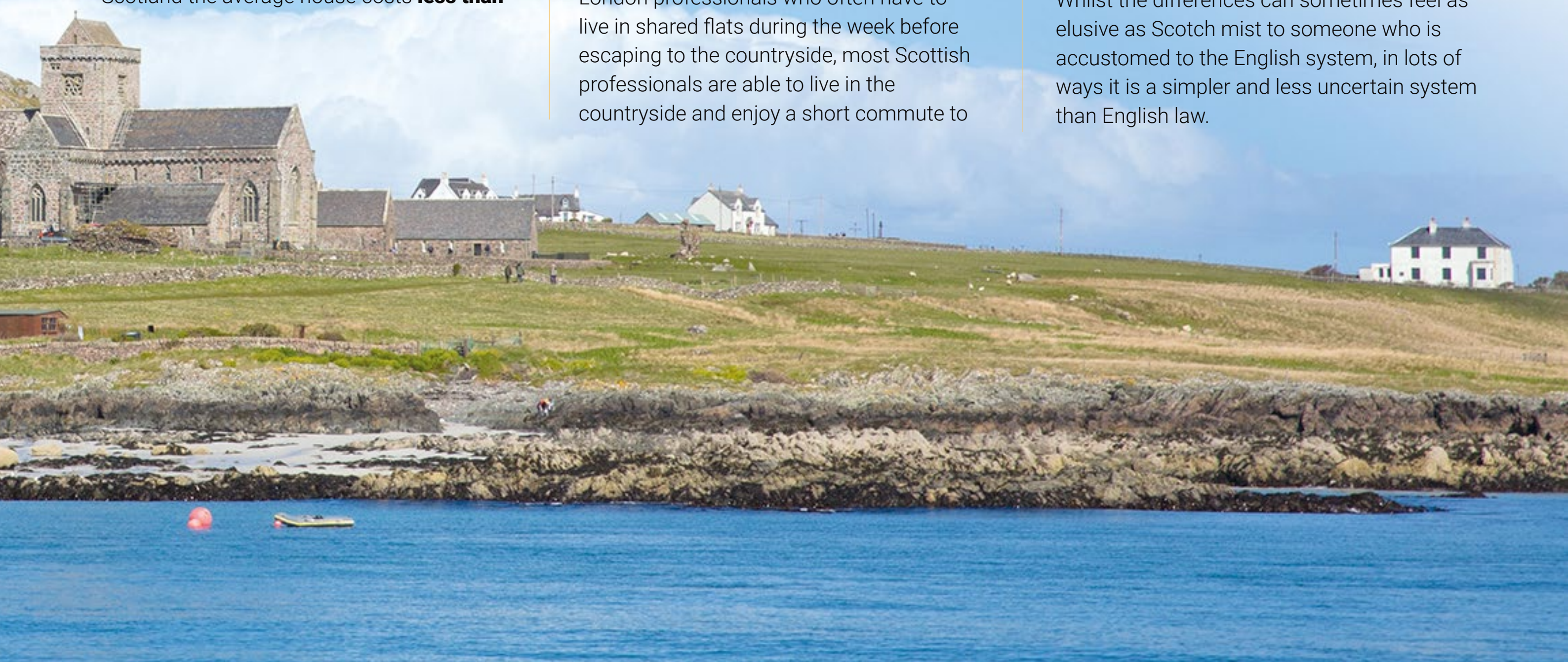
LOW ENTRY COST

One of the most attractive factors about developing in Scotland must be the low entry cost of development plots and sites. It is possible to buy good development plots with full planning for as little as £75,000, but still realise an end value house of around £300,000.

This is a purchase price of approximately 25% of GDV. Compare this to some of the land values in London and other areas in the south of England, where you can be paying as much as 45% of GDV.

With competitive build costs and relatively low land values, Scotland is a development opportunity most can afford to embrace.

Another good reason for investing in Scotland may be its legal system. There may be some English investors who fear the Scottish legal system because they don't understand it. Whilst the differences can sometimes feel as elusive as Scotch mist to someone who is accustomed to the English system, in lots of ways it is a simpler and less uncertain system than English law.



Solicitors often say that the Scottish legal system, when it comes to buying property, is "more civilised."

Gazumping is almost unheard of in Scotland. The timeline between a verbal agreement being reached and a signed missive (binding contract) being concluded is usually much shorter than in England. In our experience this means that more sales go through and less time is wasted with buyers who pull out of the deal.

Scotland has its own law governing the ownership of land and property. Most homes are sold on the basis that the buyer gains the right to occupy and use the property for as long as they own it. The concepts of leasehold and freehold do not generally apply, and the majority of properties in Scotland are sold freehold.

If property development and selling property in Scotland is such good news, can we say the same for being a landlord?

Well, on average the yields in Scotland are much better than some parts of the English rental market. The average yield in Scotland according to TotallyMoney shows EH11 Edinburgh at 6.64% with a house price of £182,399, and G20 Glasgow at 6.62% with a house price of £146,841.

Compare that to some of the yields in London areas W2 Paddington at 2.51% with a house price of £1,819,405, and N14 Southgate at 2.61% with a house price of £677,527.

Not only are the yields better but the amount of money you need to invest is much smaller. So is it all good news on the rental front in Scotland?

Well, some view being a landlord in Scotland as more onerous since the move away from the short-assured tenancy (SAT). In December 2017, the private residential tenancy (PRT) replaced the assured and short-assured tenancy agreements for all new tenancies. The new PRT has no end date, but the tenant can end it at any time by providing one month's notice (or a different period agreed by the tenant and landlord). In contrast, the landlord can only bring the lease to an end by meeting at least one of eighteen specified circumstances for regaining possession.

Tenant agencies have welcomed the security of such an open-ended agreement but some landlord groups have complained that in practice the new PRTs are very weighted in favour of the tenant, and most of the 18 specified circumstances for regaining possession of a property are almost unenforceable.

There are investors who are very happy with the new PRTs though, since its long-term nature fits their business strategy.

Consequently, whether or not being a landlord in Scotland is for you will depend a great deal on your business model as a property owner. Although the legal differences may seem daunting, if you instruct a Scottish solicitor, they will easily steer you through the system. And if you opt to become a landlord in Scotland, your solicitor can also ensure your leases meet the new legislation.

DEVELOPMENT IN SCOTLAND

Rising prices, growing demand and a stable market combine to show that there are opportunities for those who favour development as a strategy and have smaller amounts of money to invest.

From an architecturally-interesting statement house to a small steading, an outdoor enthusiast's rustic retreat to a city professional's country commute, a student's crash pad to a family's rural home, there are many opportunities for new builds and commercial to residential conversions in Scotland.

Housing shortages mean many local authorities are taking a favourable view of development from individual builds to small estates of under ten houses. This means there are options available for those new to development and those who are more experienced. And with plots with planning starting at under £100,000, money should not be a barrier to taking advantage of the development possibilities in Scotland.

To quote Scotland's national bard: *"The best laid schemes o' mice an' men gang aft agley …"* In other words, our best plans can often go awry. If your property business (whether renting or developing) was based on London and the south of England's prices continuously and inexorably climbing, then it may be time to consider the wisdom of Rabbie Burn's words … and consider laying a new scheme in the land he noted was "loved at home, revered abroad."

If you have more questions about investing in development in Scotland we are always happy to have a chat.

CONTACT

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All Company Directors should have a Property SSAS

Gareth Bertram, Director at The Landlord's Pension

Property & Pension Investment

Gareth Bertram, Director at SSAS Broker, The Landlord's Pension speaks to YPN about why every Company Director should have a SSAS.

Gareth explains: "Essentially a SSAS Property Pension is the key to accessing money in old pensions that you have paid into. Special legislation allows company directors to use old work pension funds in their current day to day trade. For people that have built up a pension fund during former or current employment, the money can represent a fantastic capital injection to start or grow a property business. The pension money can be used in your business whether you build property, let property or even manage property. In fact, it can be used in your business even if you're not in property!"

"SSAS pensions are business tools to support your company whilst building a retirement fund on the back of your business success. I need to be clear to YPN readers that this is not about making new contributions to a pension, but accessing money locked in your former employer pension scheme. Raising funds for property investment or development can be one of the most challenging aspects of getting into the property industry. You might not realise that you're actually sitting on the funds required to grow or kick off your first property investment in the first place."

"For company directors, the benefits of a SSAS property pension far outweigh those of traditional pensions. All of the same tax benefits apply but there is the option to use the money in property which is just what YPN readers will want to hear. Further benefits include pooling funds with other directors and in most cases we see a husband and wife combine their funds to give them greater buying power. For bigger companies we see a board of directors pooling funds which might be to buy a commercial premises or factory to house their business."

Gareth concludes: "Regardless of the size or history of your business, if you're a company director then you should be considering a SSAS pension as a part of your business growth plans. Most directors miss this because business advisors and accountants are themselves often unaware of all the benefits. I recently attended Accountex, the national Accountancy trade show at Excel and discovered that around 80% of Accountants that I spoke with had not heard of the benefits of a SSAS pension. This clearly tells me that businesses are not getting the right advice. SSAS pensions are a niche sector with massive benefits that are being missed. My good friend and business associate Simon Zutchi often says 'you don't know what you don't know' and when it comes to SSAS pensions this couldn't be more true. We're doing our bit to get the message out there and help business owners grow their company whilst setting up their retirement fund."

'The UK's only SSAS pension broker'

Google Verified Reviews ★★★★★

YPN says: "The Landlord's Pension has a national team of SSAS consultants that offer free business and pension advice. There's even a free guide to download for readers. Contact the team online or by phone today."

WHAT IS CAPITAL?

By Richard Brown
aka
THE PROPERTY VOICE

When thinking of that question, what came to mind?

I bet you thought about how much you have in savings, investments and equity in your properties first. Well, I have been thinking about the subject of capital for some time now, and I have realised that it is more than this and can provide significant resources to our property businesses than we might first appreciate.

There at least eight different types of capital …

FINANCIAL CAPITAL	KNOWLEDGE CAPITAL	SOCIAL CAPITAL	EMOTIONAL/ SPIRITUAL CAPITAL	SYSTEMS CAPITAL	HUMAN CAPITAL	BRAND CAPITAL	NATURAL CAPITAL

In detail, along with some examples to help you get the idea:

- **Financial Capital:** Debt, equity, investments, fixed assets and working capital. Example: Warren Buffett has access to lots of this stuff.
- **Knowledge Capital:** IP, knowhow/skills/ experience, academic/professional qualifications, planning approval, etc. Example: Silicon Valley has created significant wealth for corporations and individuals with this type of capital.
- **Social Capital:** Networks, followers, contacts and databases. Example: the Kardashians have literally built their empire based on the status as influencers.
- **Emotional/Spiritual Capital:** Emotional intelligence, empathy, self-awareness and spiritual awareness. Examples: Tony Robbins, Billy Graham and Uri Gellar … say no more!
- **Systems Capital:** Processes, systems and technology. Example: UPS, Uber and Airbnb all realise competitive gains through the processes and systems.
- **Human Capital:** Sweat equity, time/hard work and our personal knowhow … of both ourselves and others too. Examples: you and me! But also, any business that hires people at a lower day rate than they charge them out for, such as the big consultancies.
- **Brand Capital:** Authority, trust, reputation, positioning. Examples: Beckham, Gucci, Rolls Royce, IBM, etc.
- **Natural Capital:** Land, animals, commodities, natural elements such as wind/solar/air/water, etc. Examples: Utility companies, farmers, some PropTech start-ups … and The Queen.

As we think about developing our property business to achieve our goals, consider the following four questions with all eight types of capital in mind:

1. **Capital audit**
   What capital do I have right now?
2. **Capital requirement**
   What capital do I need in the future?
3. **Capital growth**
   How can I get more capital?
4. **Capital multiplication**
   How can I scale or leverage these different types of capital?

Some people and businesses are heavily weighted in one or two areas of capital, whilst others have a broad balance across several, although rarely all of them. Everyone needs some capital to start with, especially if we are looking to grow.

The idea of this feature is to get you thinking about capital in a new, broader and holistic way. Consider that we can get a return on each of the different types of capital, which helps us to move from scarcity and linear growth to abundance and compound return across all types of capital, not purely financial.

PAUSE TO REFLECT

Keep in mind the eight types of capital along with their sub-categories as you ask yourself these questions:

CURRENT STATE

- What does it mean to be rich or poor in each of the different types of capital?
- How do I quantify being capital rich in say, knowledge capital or social capital?
- What is the impact of being capital poor or deficient in any given type of capital?

FUTURE STATE

- Which types of capital are most relevant to me, my business and my plans?
- What is the benefit of being rich in any given type of capital?
- What could happen if I had more of this capital available to me?

Use the template, on the next page, to answer the questions. I've come up with a couple of example responses.

Capital Category	Current State	Future State
Financial	I have some savings and a broker who can arrange BTL mortgages and bridging finance.	If I could access a JV finance partner or a development finance provider, I could do bigger deals with the same cash pot.
Knowledge	I am new to all this and don't have any specialist knowledge.	If I studied Permitted Development rights and the local planning strategy, I could more quickly spot opportunities that others miss.
Social	I have 200 people in my LinkedIn network along with family and friends on Facebook.	If I could reach more people across more channels with my message, then simple marketing response rules means I will get to yes much more quickly.
Emotional/ Spiritual	I tend to miss where people are coming from and want to make myself heard instead of listening.	If I could learn how people are different and improve my listening skills, I am more likely to better influence people based on their needs rather than mine.
Systems	Yesterday, I completed 49 actions, I still have loads on my to-do list and I didn't even get to put my kids to bed.	If I could automate more of what I have to do, I will free up more time for my family **AND** get more done in my business.
Human	I tend to do a few tasks on a doer-upper project as it saves me paying for an external contractor to do it.	If I pay a labourer £120 a day, then I could use this time to find my next deal with a £15k profit instead.
Brand	I'm Joe Bloggs, take me as I am.	If I could create a reputation as a safe pair of hands and a trusted person to go to for advice, then I could attract more private financing into my business.
Natural	I don't really think this applies to me, does it?	Well, if I can make use of alternative energy sources, such as solar or air/ground source heat pumps, I could become a small energy supplier and future-proof my investments with a higher EPC rating.

MEASURING OUR CAPITAL

How do we measure and how do we quantify what we need? Well, some of these can be easily quantified … money for **financial capital**; patents or planning approvals for **knowledge capital**; list or follower count for **social capital**, and so on.

Others are a little trickier to measure in absolute terms, such as **emotional/ spiritual** or **brand capital** … but we can probably apply a simple 1-to-10 scoring system to be able to apply a subjective assessment of ourselves and others.

COST OF CAPITAL AND RETURN ON CAPITAL

Most capital has a cost or value. If we inherited something, perhaps it came free to us even if it didn't come free to the donor. The point here is that we have to give something in order to get something.

If it's a loan, we give a promise to repay and interest on top. If it's a large social media following, then it's the time invested in providing content and engaging with the community. You get the picture.

Now we know there is a cost, value or price to pay, we can then work out how much we can afford to pay, right? For example, I have a Twitter following of over 7,000 people, but this took a lot of time to build organically, with quality content shared consistently. Now I have a Twitter following that I could leverage if I wanted to. That leads me on to the upside of the equation – a return on capital.

Start thinking of capital producing a return to you. Then, imagine how you can develop more of the various types of capital to produce even greater returns.

LAYERING AND LEVERAGING CAPITAL

If you really want to explore the power of capital, then consider adding and multiplying several forms of capital together. To illustrate, I am a knowledge-sharer and have spent a decade learning about property (**Knowledge Capital**). I share this knowledge across different platforms, such as The Property Voice Podcast and blog, along with my social media accounts (**Social Capital**), and finally I have a reputation for providing honest and practical insights that apply in the real world (**Brand Capital**). I could and indeed have added a bit of promotional activity from time to time, although not often … using **Financial Capital** to do so.

That's three to four different forms of capital at play, which I am getting a return upon too. Nowadays, I hardly spend any money in traditional marketing. Instead investors, clients and mentees tend to come to me … that's pretty cool when you think about it, isn't it?

I was attending a mastermind group in the States this week and one of the guys present has a zero-dollars marketing plan. All he does is share what he does all day on social media, in an authentic way. He wears t-shirts, has a big hairy beard and is comfortable being himself. He was the only person out of around 100 to connect with me on social media whilst there too … so there is less competition than you might think too.

THE IMPORTANCE OF ALL THIS

So, what's the point? Well, in case you hadn't guessed already … there is more than one type of capital, and if we are deficient in the most commonly thought of one, **Financial Capital**, then we could explore the other forms instead. Equally, if we appreciate that we can pull together different forms of capital in our businesses, then we can turn linear growth into exponential growth if we want to.

Financial Capital is often where we start when considering a property investment or business, but it's not the be all and end all. Think long term and have the mindset of an entrepreneur. Think about the eight forms of capital, and then make a plan to capitalise on as many as you can.

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

THE LESSON OF LIFE

By **Arsh Ellahi**

You'd be forgiven for thinking property investors are born with phone in hand, closing deals, appraising properties and arranging viewings ... but this is certainly not the case. All the investors I meet on a daily basis are generally the product of hard work, dedication and of course, a little pinch of luck.

This month I am going to share with you guys my entrance into the world of property and some of the hard lessons I have learnt along the way. It is important to reflect on your journey and to take stock of where you are and where you want to go.

One of my earliest memories is going to collect rent with my father from what he called *"the people upstairs."* As a naïve five-year-old, this was how I thought all families lived – your family occupying one part of the house with other people taking up residence in the rest of the house and paying for the privilege.

My father was the epitome of hard work. He grafted day and night in his steel factory. He ensured my siblings and I were exposed to his work so we wouldn't take what we had for granted.

As was typical of the many immigrants who arrived in the UK during the 60s, he landed in the Midlands with very little English and even less money in his pocket. But he knew one thing – he didn't want to be in that position forever. He wanted bigger and better for himself and his family. However, as a father of six children, it was not always easy.

We would often eat our evening meal circa 10pm, when our father returned from the factory covered in machine oil and iron filings. School trips and new clothes were luxuries we seldom experienced, but we were all on the same page. We knew we were doing this for a better life.

After living a thrifty life, my father managed to save enough money to buy a house in the local area. That was my first real experience of property. From as early as ten years old, I was tasked with the job of collecting rent and checking on tenants on a weekly basis. It was then that I learnt the fundamentals of property management. As I was the youngest child, I was the one closest to the electric meter on the ground, and my task was to sit there and empty the electric meters and put the coins in the bag.

The one thing I really struggled with as a child was education. Possibly because I was always knackered. I went to school from 8am-4pm, then to Muslim school from 5-7pm, and then I would help my father at the properties. I rarely got home earlier than 9pm, and then it was time for homework. Generally, bedtime would be 11pm at the earliest.

As a result of the lack of studying, it was inevitable that the next rather painful lesson I learnt was when exam results day came around. I had tried and tried to study, I had done everything I assumed would help me pass my exams but ... I had failed all of my GCSEs.

As you can imagine, my father was highly disappointed and left me to sort out my mess. It was during this time **I realised I had to change strategy. What I was doing clearly wasn't working so I had to alter my approach** to education and analyse where I had gone wrong to figure out another way to succeed. I therefore switched sixth form and met a great group of friends, who are still my closest friends 22 years on!
At sixth form, I really found myself. Having failed my previous exams, I knew I only had this one chance before my father gave up on me.

One of my new friends told me that his uncle imported watches, lighters and novelty toys from China to wholesale them to market traders and retailers across the country. Effectively, he was a middle-man. I always wondered how I could potentially use this idea to my advantage. It's funny to think my main role today as a deal sourcer is merely a glorified middle-man.

At the time, I did not have capital to buy any stock, nor would I dare to ask my father for help. His stance was simple ... you want it? You go and get it. And that is exactly what I did.

It eventually came to me as I sat in a business studies lesson. My friend sat to my right and I asked him if his uncle would do a sale or return basis? And that was the start of it all. Admittedly, I had not met his uncle, but he sounded like a nice guy. After two weeks of badgering my friend, I finally convinced him to introduce me.

I had a simple proposal, I said: *"Your normal retailers pay you £1.25 upfront per watch. If you allow me to take the stock, which is accounted for at the point of release, I will sell it to a market within my region. At the end of the day, I'll return to you and we can count how many watches I have sold.*

"In return, I will pay you £1.40 per watch, which equates to approximately 14% increase for the sake of releasing stock."

I would also make his nephew – my friend – a business partner, so it created a real win-win-win scenario and everyone could make money.

I now had a product that I had acquired with no money down. Or in property language, an assisted sale.

I was fondly known as Market Boy in some of the pitches I visited, being the youngest trader they had met. I guess it took a while to lose my boyish good looks, although some would argue I still have these!

My two friends and I would wake at 4am to get to market pitches for a 7am start. We would arrive home hoarse and exhausted from flogging cheap watches, soft toys and any other paraphernalia we could get our hands on. We yelled from 7am till 4pm. It was exhausting, but we absolutely loved it. We were selling close to 1,000 watches a weekend.

But I couldn't imagine doing this at the age of 30.

It was at this time I learnt the very important lesson of maximising profit. I had to buy cheap, think about what I could make on it, ensuring my overheads were covered after everything had been accounted for. Otherwise there was no point doing it. In years to come, this formed the basis of my love for negotiation and BMV deals.

In the summer holidays, the operation expanded. We visited over ten market towns per week. I guess we learnt that when things were going well, it was time to expand and maximise on the opportunity.

I went to one market whilst my friend went to another and we stayed in contact via mobile phone. It was an amazing journey and one that formed my business outlook forever.

At 17 years old, we were making more money than any other 17-year-old I knew. But it was sheer hard graft.

My journey continued to university, and upon finishing my formal education, it was time to join the real world.

I had my first day in the family office at the age of 21, and thought it would be a doddle. My dad knew property well at this point, and I thought I could cruise in, push a few papers around, get paid, job done. **WRONG**. My father wasn't going to let me get away with doing the bare minimum. He made sure I worked my fingers to the bone – and I'm pretty sure what he paid me at the time was borderline infringing on my human rights.

But this was another life lesson — **if you want it bad enough, you'll make it happen**. I was looking for my own approach to maximise profits, establish my own place in the family business and make a success of my own projects.

Throughout this time in my life, I said yes to any opportunity that came my way. I reasoned that if I said yes to the opportunity now, I could figure out how to make it work later. I believe that's what led me to the many successes in my life, but there were tough times too.

One of my favourite projects was acquiring a large garden from a vendor who struggled to maintain the land. We secured the piece of land on an option, and gained planning permission for two bungalows. The total cost for acquiring the property was £1, but we then had to speculate some costs for an architect and planning fees – approximately £2,000. But we were fairly certain we would achieve a positive outcome.

With the benefit of the added value, we sold the land to a developer who purchased the property from me on a back-to-back transaction, netting circa £30,000. Not bad for a young lad who only spent £2,001 on the property.

I could write a whole year's worth of magazines with all the property deals I have done, outlining the vendors' scenarios, the structures we created to allow us to manage properties and benefit from the gain. No two deals or vendors' situations are the same, and I always cater to them.

You might see my posts on social media and assume I do well, and that things are always perfect for me. This is not the case at all. I have terrible days when I feel like throwing in the towel and submitting myself to a comfy 9-5 job where I could do the mundane and coast through life. But that isn't me, and although there are days where I have bitten off more than I can chew, I have to remember why I am doing this.

I want to honour my father's legacy and do better for my own children. I guess it was during these tough times that the power of visualisation and imagining myself succeeding became an excellent coping mechanism. I still face daily struggles, such as:

- **Deals falling through**
- **Solicitors not working or communicating together**
- **Properties being down-valued**

However in the grand scheme of things, I can handle these setbacks. To sit here and say nothing bad has happened would be deceptive and untrue. The key is to be able to dust yourself off and look at all the positives you have achieved within your timeframe of property investing.

I know this article has been a very personal account of my life and some adventures in property. I wanted to share some of this with you to let you know that life is tough and you aren't alone. I have been there, and am testament to hard work, dedication and a bit of luck.

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"

CONTACT

As always, you can connect with me on my social feeds by finding me on:

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Facebook Profile	**www.facebook.com/arsh.ellahi.1**
Facebook Page	**www.facebook.com/ArshEllahi123**
Instagram	**www.instagram.com/arshellahi**
Youtube	**www.youtube.com/c/ArshEllahi**
Linkedin	**www.linkedin.com/in/arshellahi**
Twitter	**twitter.com/arshellahi**

To get access to all my updates and whereabouts, please sign up to my weekly newsletter at **www.arshellahi.com**

MORTGAGE UPDATE

There have been very few changes in the BTL mortgage market this month, but we have seen the return of Fleet Mortgages to the market. This is excellent news and provides further options for investors.

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

Fleet are a specialist BTL lender who offer products for individual investors and limited company SPVs. They will consider lending on single family BTL properties, HMOs and multiple units under one freehold unit.

They have one of the lowest rental stress test calculations, which can be an advantage if you are looking at financing a property that doesn't fit the new rental stress tests.

Key criteria

- **Lending available in England and Wales**
- **Minimum property value/purchase price £75,000**
- **Minimum property value for converted freehold properties: £100,000 outside London and the South East, or £150,000 within London and South East**
- **Primary applicant must be a current property owner for at least 12 months**
- **Primary applicant must have a minimum income of £25,000 and 12 months in continuous employment or two years' self-employed trading history**
- **Two years' lettings experience required for HMOs and multiple units under one freehold**
- **Lending up to 75% of the value/ purchase price**

One of the key advantages to Fleet Mortgages BTL criteria is the rental stress test.

Fleet have a standard rental calculation that doesn't change, even if the borrowing is in personal names and you are a higher rate taxpayer.

The current rental calculations are:

- **Rent must cover 125% @ 5.5% for all single let properties irrespective of whether this is held in personal names or a limited company**
- **They also have a five-year fixed rate, which has a lower stress test of 125% at the 3.74% pay rate**

This gives the investor looking to maximise capital raised from an existing property an excellent option against the high-street lenders who have higher rental stress test requirements.

Fleet also have a flexible approach for portfolio landlords with no formal overall stress tests or loan to value requirements. Each portfolio is reviewed on its own merits.

The new launch of products includes excellent rates with free valuations.

Example products include:

Standard Individual Buy-to-let Products

75% loan to value/purchase price

- **2.94% fixed until 31/7/2021 – 1.25% arrangement fee – Free valuation – 125% @ 5.5% rental calculation**
- **3.54% fixed until 31/7/2024 – 1.25% arrangement fee – free valuation – 125% @ 5.5% rental calculation**
- **3.74% fixed until 31/7/2024 – 1.25% arrangement fee – free valuation – 125% @ 3.74% rental calculation**
- **3.64% fixed until 31/7/2024 - £4,999 arrangement fee - 125% @ 5.5% rental calculation**

As you can see from the above, Fleet Mortgages can be an excellent option if you are struggling to release equity from a property due to the new rental stress tests, or if you don't want to take a five-year fixed with other lenders for a lower rental stress test requirement.

If you have any individual questions or enquiries on these options, then please give me a call or send me an email.

Over the past month, Virgin Money have also made some improvements to their portfolio landlord requirements, which are very positive.

Key improvements:

- **The maximum overall loan to value for the existing portfolio has increased from 70% to 75%**
- **The overall rental requirement for the existing portfolio has reduced from 145% to 135% at an interest rate of 5%**
- **Removed the limit of no more than two properties having been purchased in the last year so there is no longer a portfolio growth restriction**

These are positive improvements to the portfolio landlord requirements, and will open up Virgin Money as an option for more portfolio landlord clients.

PORTFOLIO REVIEWS AND PERSONAL REFINANCING

It's important that when you are reviewing your portfolio you keep an eye on product expiry dates and when they are reverting to the variable rate. As a general rule, I would make a note in your calendars for three months before any rates are ending, so you can review all options available.

With the majority of lenders, the options will include a product transfer. This is quite often the more straightforward route of taking a new rate with your existing lender, or alternatively to refinance to another lender if you are considering raising capital or simply prefer to move to a new lender for other reasons.

As independent brokers, we are able to assist you with this process so please feel free to contact me. I can look at what your existing lender will offer you alongside some comparable options with other lenders.

If you would prefer to refinance to another lender, this is an overview of some of the short- and long-term fixed rates available for borrowers financing a BTL in personal names. These are subject to the lenders' individual client and property criteria.

Lender	Loan to Value	Product	Fees
The Mortgage Works	75%	2.39% 5-year fixed	£1,995 arrangement fee added – free valuation and free legal remortgage service provided
The Mortgage Works	75%	2.49% 5-year fixed	£995 arrangement fee added – free valuation and free legal remortgage service provided
BM Solutions	75%	2.74% 5-year fixed	No arrangement fee added – free valuation and free legal remortgage service provided
The Mortgage Works	65%	2.39% 5-year fixed	£995 arrangement fee added – free valuation and free legal remortgage
Virgin Money	75%	1.98% 2-year fixed	£995 arrangement fee added – free valuation and free legal remortgage service provided
BM Solutions	75%	2.46% 2-year fixed	No arrangement fee
Virgin Money	75%	1.73% 2-year fixed	£1,995 arrangement fee added – free valuation and free legal remortgage

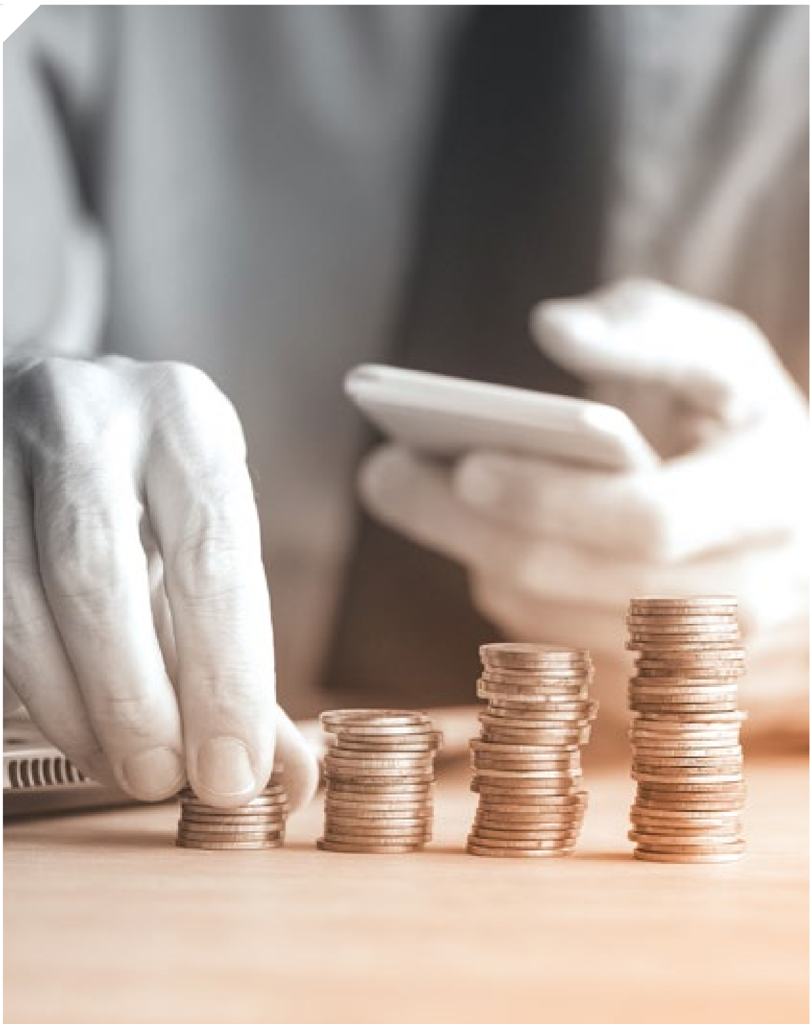
This is just a selection of rates available, and there are many other factors to take into consideration. I recommend either speaking to myself or to your existing broker to discuss tailored options available to you individually.

LIMITED COMPANY MORTGAGE OVERVIEW

Lender	Loan to Value	Product	Fees
Precise Mortgages	80%	3.94% 5-year fixed	1.5% arrangement fee
The Mortgage Works	80%	3.29% 2-year fixed	2% arrangement fee
Precise Mortgages	75%	2.89% 2-year fixed	£995 arrangement fee
Precise Mortgages	75%	3.49% 5-year fixed	1.5% arrangement fee
The Mortgage Works	75%	3.74% 2-year fixed	No arrangement fee

When you are setting up a limited company, I would recommend that, after your conversation with your tax adviser, you speak to your broker to make sure that the structure of the proposed company works from a finance point of view.

Each lender has a very different view of shareholdings and directorships. Some lenders ignore minor shareholders while others insist that all shareholders need to be party to the mortgage and give personal guarantees. When a shareholder is required to be party to the mortgage, they must fit that lender's criteria so it's important to discuss this with your broker upfront.



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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Refurbished to a high standard | Fully tenanted and managed | Turnkey investments

Oakwood Lane, Leeds LS8 3DD — 6-bed, 3-bathroom

Gross rental income £31,680 pa   Gross yield 9.1%

Sale price **£350,000** | Investment required*: **£89,250** | ROI: **16.2%**

Old Lane, Leeds LS11 7AB — 6-bed, 2-bathroom

Gross rental income £24,120 pa   Gross yield 9.6%

Sale price **£250,000** | Investment required*: **£66,850** | ROI: **16.3%**

*based on 80% LTV

MAKE PROFIT FROM DAY 1

Vinery Mount, LS9 9LY

3-bed, 1-bathroom

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

Sale price **£105,000** | Investment required*: **£26,300** | ROI: **22%**

Vinery Street, LS9 9LS

3-bed, 1-bathroom

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

Sale price **£105,000** | Investment required*: **£26,300** | ROI: **22%**

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

NOT TO BE MISSED

LEGISLATION UPDATE

SECTION 21 – "THE BIGGEST CHANGE TO THE PRS FOR A GENERATION"

THIS MONTH'S UPDATES ...

Section 21 ban
EPCs
Tenant Fees Act 2019

By **Mary Latham**

On Monday 15th April, the Secretary of State for Housing, Communities and Local Government, James Brokenshire, announced:

> *"The end to unfair evictions – biggest change to the private rental sector for a generation.*
>
> *Private landlords will no longer be able to evict tenants from their homes at short notice and without good reason. As part of a complete overhaul of the sector, the government has outlined plans to consult on new legislation to abolish Section 21 – so called 'no-fault' evictions."*

It's important to read all the above. This is the most important part of the announcement – and unfortunately the least shared by the media, who prefer to harp on about landlords losing our right to (in their general words) ... *"chuck tenants out with two months' notice when they have done nothing wrong"*.

This announcement means some changes to practice for many landlords. But let us first understand the facts as we know them at the time of writing (mid April), so that we can make informed decisions.

- **It hasn't happened yet.** The Government will consult. It's very important that we all respond to that consultation. Look out for it, it may already have begun by the time you read this.

  Do not leave it to other people, because tenants and tenant support groups are over the moon about this and will undoubtedly respond in very high numbers to support the move.

  This will need an amendment to primary legislation. After consultation a draft will be presented to the House of Commons and must go through the normal process. This is unlikely to be completed before 2020/21.

  When the law is changed it could be applied immediately to all tenancies. However, it is more likely to apply to tenancies created after the date the law changes, and then possibly to all tenancies after 12-36 months.

- **The plan is to overhaul the whole eviction process to encourage longer tenancies.** The landlords' representatives have been asking for some time for a quicker and less costly way to remove a delinquent tenant, a process that currently takes up to 45 weeks from service of notice to possession. Many landlords use Section 21 to try to speed up the process. In doing so we write off money owed by the tenant and the legal costs we have incurred. This should not have happened and changes to Section 8 would have prevented it.

- **They are intending to remove Section 21, NOT 'no fault' evictions.** Most landlords only evict good tenants when they want the property back, to either live in or sell. I am not aware of any other reason why landlords who intend to continue to let it would evict a good tenant. **Those two reasons are expected to continue to be 'no fault' grounds for Section 8 – this request should form part of your response to the consultation**

- **The government is aware of tenant groups who need Section 21 or similar.** Certain tenant groups need to be sure of vacant possession on their move-in day. (In my opinion all tenants need this security.) Probably the biggest recognised group is students, who leave home and turn up at the start of their tenancy (often also the start of term) and need to know they have a home to sleep in that night. For this reason, good landlords serve a Section 21 on existing students to emphasise that they need to move out on the agreed date.

  It appears that some landlords who let to students are unaware that putting pressure on their tenants to move out at a certain time on the last day of their tenancy is harassment at best, unlawful eviction at worse. We cannot give them a time to move out. If they have paid for that day, they have paid for that night, and even the next day it is unlawful to tell them they must move out. Only a Court Order has that power, hence serving Section 21 to start the process should we need to use it. It is **VERY** rare that students don't move out on the last day, it's an unwritten "rule" – but not guaranteed.

  The government has recognised that the student market is different, and said that exemptions to longer tenancies would apply to this group if new legislation on minimum length of tenancies were introduced.

- **The proposed change is part of a bigger package.** *Overcoming the Barriers to Longer Tenancies in the Private Rented Sector* was the consultation during July and August 2018. You can read the government's response to this consultation at **http://bit.ly/YPN132-ML-GovtResponse.**

  Some interesting highlights:

  "7. However, the consultation also showed there was no consensus around mandating a certain tenancy length. Tenants favoured different lengths of tenancy depending on their circumstances and landlords preferred the status quo.

  8. In light of this, we will introduce a generational change to the law that governs private renting. This Government will put an end to 'no-fault' evictions by repealing Section 21 of the Housing Act 1988. Our announcement is the start of a longer process to introduce these reforms.

  9. It will be important to find a balance between giving tenants greater security whilst ensuring landlords are able to recover their property if needed. We do not want to discourage investment in the sector or affect the supply of good quality rental accommodation.

  10. Therefore, to ensure landlords have confidence they will be able to end tenancies where they have legitimate reason to do so, we will also strengthen the Section 8 possession process, so property owners are able to regain their home should they wish to sell it or move into it. These will be in addition to the existing grounds which allow landlords to evict tenants who don't pay the rent or commit anti-social behaviour.

Many courts have closed in recent years and it is now time for a new system of eviction. Landlords' representative bodies are calling for Housing Courts, which specialise in housing issues and where the process can be speeded up.

I would like to see the **Accelerated Possession (Section 21)** process applied to Section 8 when 'no fault' grounds are being used. The landlord is not accusing the tenant of doing anything to cause the eviction, therefore there is no legal reason for a hearing where the tenant could defend himself.

Where the reason for eviction is to sell or move into the property the landlord could swear an Affidavit in front of a solicitor or notary public and send this to the court with any evidence and the Section 8 paperwork. This could then be 'rubber stamped', saving court time and reducing the time it takes a landlord to recover his property.

These grounds could give the tenant the 'infamous' two months' notice before the court grants possession to the landlord, in addition to the time it takes to serve the Section 8 on the tenant and file at the court. **If you agree with this please ask for it when you respond to the consultation.**

LOOKING TO THE FUTURE …

When Section 21 is no longer available and we have delinquent tenants, where does this leave landlords? (Yes, this is me accepting that the loss of Section 21 is inevitable. It has been for some time and I have written about it before.)

- **We need to understand the Section 8 process**
- **We need to be prepared to use Section 8**
- **There are benefits for landlords**

NLA and RLA offer one-day seminars on possession, as do accreditation schemes. These seminars cost around £100 (tax deductable) and cover everything you need to know and understand, including how to carry out the process yourself. This would save you more than the £100 you have paid or give you enough information to decide whether you would rather use legal services to carry out the eviction on your behalf.

PLEASE NOTE: Only a legally qualified person can offer legal services. If you use an eviction specialist, make sure they are qualified and insured. Should you prefer not to be personally involved in the legal process, only a solicitor can represent you in court.

Being prepared is about record keeping. So many landlords are really good landlords but really poor administrators, and this is where it becomes difficult to use Section 8. Section 8 is generally where the tenant has done something wrong and the landlord is evicting for that reason.

Tenants have the legal right to defend themselves because they are being accused of wrongdoing and face the threat of losing their home because of that. It is the landlord who must produce the evidence of the wrongdoing; the tenant must prove the evidence is wrong or accept they have done wrong.

The most common reason for a Section 8 going to court is rent arrears, often accompanied by other grounds. Rent arrears is Ground 8 …

"Both at the date of the service of the notice under section 8 of this Act relating to the proceedings for possession and at the date of the hearing—

(a) if rent is payable weekly or fortnightly, at least eight weeks' rent is unpaid;

(b) if rent is payable monthly, at least two months' rent is unpaid;

(c) if rent is payable quarterly, at least one quarter's rent is more than three months in arrears; and

(d) if rent is payable yearly, at least three months' rent is more than three months in arrears;

and for the purpose of this ground "rent" means rent lawfully due from the tenant."

Some tenants are very well aware of the law relating to rent arrears, and habitually keep the arrears just below the threshold or pay off some of the arrears when the Section 8 is served on them. In these cases, landlords will often support a Ground 8 with Grounds 10 and 11.

Ground 10

"Some rent lawfully due from the tenant —

(a) is unpaid on the date on which the proceedings for possession are begun;

and

(b) except where subsection (1)(b) of section 8 of this Act applies, was in arrears at the date of the service of the notice under that section relating to those proceedings."

Ground 11

"Whether or not any rent is in arrears on the date on which proceedings for possession are begun, the tenant has persistently delayed paying rent which has become lawfully due."

Ground 8 is a mandatory ground, which means the judge must grant the landlord possession if the landlord can prove that the required amount of arrears are owed.

Grounds 10 and 11 are discretionary grounds, where the judge must decide whether to grant possession or not. Judges are well aware that tenants make payments on the court steps and will take account of that when they are informed during the hearing.

Whether you intend to carry out the process yourself or with delegate to a qualified person, the most important thing is **RECORDS**.

- If you take cash payments –
    1. **Buy two rent books**
    2. **Give one to the tenant**
    3. **Record each payment in both books**
    4. **You sign the tenant's book**
    5. **The tenant signs your book**
    6. **At the start of the tenancy when you give the tenant his rent book, ask him to sign and date an agreement that you will use the process above.**
    7. **Should you need to go to court you can now produce:**
        a) The signed agreement for method of payment
        b) Your rent book
    8. **You can make the judge aware that the tenant has a rent book too**
    9. **It is no longer your word against the tenants**
- Where payments are made into your account, you can produce your bank statements. It's good practice to give the tenant a reference to use when paying in, perhaps the number of the property and his initials. This makes it easier for a judge to see clearly when his specific payments have been made, especially where you have several payments of the same amount from other tenants.
- Resist the temptation to use text messages to remind a tenant that the rent is due. Send an email, in that email include the rent record for a month before the arrears began. Total the amount of arrears and ask when you can expect payment.
- Resist the temptation to remind him of all the reasons why you need the money. You are legally entitled to rent when it's due. Full stop. Ranting doesn't solicit sympathy from a judge if you have to produce those emails, nor does threatening eviction. Just mention that if the situation is not resolved you will be forced to take legal action. Invite the tenant to offer you a solution/ payment schedule.
- This email will be used to counter a tenant's claim that he was unaware of the amount of arrears, and show that you tried to resolve the situation before going for legal action.

I have gone into this level of detail to show that the worst-case scenario of losing Section 21 is not the end of the world. We just need to be prepared.

If you are one of those landlords who has habitually used the threat of Section 21 to control your tenants' behaviour, you will need a re-think. Managing people is an important skill when letting property and if you don't feel that it's in your own skill set, use a good managing agent. Poor management is no longer an option.

The benefits of using Section 8:

- **We can claim rent arrears, damages and legal costs at the time of the hearing**
- **The tenant will have a CCJ which will be a warning for future landlords**

OTHER RECENT CHANGES

EPCs

From April 2019 a property is exempt from a minimum EPC of E when the landlord has spent £3,500 (inc VAT) on improvements and still cannot achieve and E or above. That property needs to be registered on the exemption register before it is offered for rent.

Tenant Fees Act 2019 Guidance

Published on 1st April 2019:
http://bit.ly/YPN132-ML-TFAGuidance

The only payments you can charge in connection with a tenancy are:

a) **the rent**

b) **a refundable tenancy deposit, capped at no more than five weeks' rent where the annual rent is less than £50,000, or six weeks' rent where the total annual rent is £50,000 or above**

c) **a refundable holding deposit (to reserve a property), capped at no more than one week's rent**

d) **payments to change the tenancy when requested by the tenant, capped at £50, or reasonable costs incurred if higher**

e) **payments associated with early termination of the tenancy, when requested by the tenant**

f) **payments in respect of utilities, communication services, TV licence and council tax; and**

g) **A default fee for late payment of rent and replacement of a lost key/ security device, where required under a tenancy agreement**

Important to note that last point: if it is not in your contract it cannot be charged.

When letting to students, please note …

Where a tenancy agreement was entered into **before 1st June 2019**, you will still be able to charge fees **until 31st May 2020**, but only where these are required under an existing tenancy agreement. Just in time to exclude the end of the new academic year!

I could have filled the magazine this month but hopefully that's enough to be going on with.

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

SECTION 21 BAN

By **David Lawrenson**

The Government has announced a consultation to look into banning repossessions under Section 21 notices.

This is the so-called *"No Fault Notice"* that landlords can use to get their property back without having to give a reason.

Pressure groups like Generation Rent say Section 21 repossessions are often being used as retaliatory evictions where a tenant has legitimately complained about a non-repair. And they also have been calling on it to be scrapped because they say tenants want and deserve more security of tenure. Currently, a tenancy can be ended with just eight weeks' notice under Section 21 once any fixed period of a tenancy has ended.

But the reality is that landlords are forced to use Section 21 because it is faster than using Section 8 – the form used where a tenant is two months behind on rent. It's faster because Section 21 doesn't require a court hearing.

The Section 8 process takes over five months from a private landlord applying to the courts for a property to be repossessed to it actually happening. Section 21 can knock a month off that.

But whilst there are undoubtedly some rogue landlords who do use retaliatory evictions, they may not be all that common. The government's own English Housing Survey data shows that in 90% of cases, tenancies are ended by the tenant rather than the landlord. And on average, tenants live in their rental properties for 4.1 years. This proves that landlords are not chucking people out on a whim and tenants are staying for quite a long time, mostly leaving when it suits them.

Further research by Manchester Metropolitan University for the Residential Landlords Association (RLA) found that in a large majority of cases where tenants are asked to leave their properties under Section 21 notices, there is a clear reason. Half of the notices are used where tenants have rent arrears, are committing anti-social behaviour or damage to the property. Other common reasons include the landlord needing to take back possession of a property for sale or refurbishment. The report's authors argue that this "raises questions" about whether the use of Section 21 notices can properly be described as no fault evictions, as some have called them.

Of course, there is a political element to banning Section 21, which, incidentally has been Labour's policy for some time. The Tories have surely just copied the policy in a bid to look like the private rented sector tenants' friends, just in time for their votes at the next general election.

But is banning Section 21 really that bad for landlords?

The Conservatives, as part of the consultation, will also be looking at speeding up the repossession processes via some sort of special housing court.

Landlords would certainly welcome that. There would also be exemptions for returning intending occupiers and for landlords wishing to sell, who would be able to get their properties back.

I wonder who would police such exemptions to make sure they were valid. Not the local authorities – they already have more laws to use against landlords than you can shake a stick at, but usually don't use them due to lack of resource. In Scotland, where Section 21 was banned 18 months ago, policing it is done via a court process. But who is there to check that the landlord really sells once he's regained possession or actually moves in himself?

If Section 21 were to end, the more risky tenant may become less attractive to the average landlord. Imagine you don't have a portfolio of properties … maybe you have just one or two, even three say. You're like the majority of landlords in the UK, and are not doing it full time.

Now imagine two applicants turn up, both interested in becoming your tenant. One is an aspiring graduate couple. The other is a couple who have come from a council recovery system called the Hostel Drug New Life Restart Programme.

Of course, you'd like to help the couple on the recovery programme. If there still was a Section 21 No Fault Notice option, you could always say: *"Well, I gave it a try, but the annoyed neighbours ringing me up every night was just too much, so I gave them notice in the end."* But without Section 21, would you be as likely to take the risk? The tenants could be there for a long time, unless they are dumb enough to do something like not pay the rent for two months or run a cannabis farm at the property, and get caught.

Housing consultant and blogger Joe Halewood, who could no way be described as a private landlord lover but understands the private rented sector and housing generally, has written a great piece on this. He wrote on his blog:

"This doesn't just affect general needs rented tenants but everyone who is in a homeless hostel or in a domestic violence refuge as the exit from these is mostly to the private rented sector. If hostels and refuges can't move people on then they can't move people into homeless hostels or domestic violence and abuse refuges! Yet today we see the chief executive of Shelter lauding the proposed removal of the no fault eviction on mainstream TV, when the policy will see more homeless on the streets and more women having to suffer domestic violence and abuse because there is nowhere they can flee to that is available." - **https://speyejoe2.wordpress.com**

I think the better way to go would be to have standard three- or five-year tenancies, but with a get-out for landlords after six months, which could be used where the tenant proved unsatisfactory.

This system could also give the tenant the ability to leave with them giving say, two months' notice any time after the initial six months has ended. Giving tenants both flexibility and the longer tenancy option that families need.

I can't think many would object to this. The mortgage lenders, many of whom still stipulate that landlords cannot issue fixed terms over 12 months, would not object to the potentially longer tenancies either.

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"*. He is also author of a book for tenants called "Tenants Guide to Successful Renting

30 DEALS IN 30 DAYS CHALLENGE

There is still time to join the Elite Property Tribe and to kick start the programme we are running a 30 Deals In 30 Days Challenge. Even if you have never done a property deal before, now is the perfect opportunity for to get involved in the fastest and most exciting property strategy, which allows you to simply deal with property **WITH NONE OF YOUR OWN MONEY**

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YES, I'D LIKE TO JOIN THE EPT

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2019 - Deal Trading, And How You Can Do This Too!
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HANDLE WITH CARE!

By **Graham Kinnear**

The continued attention of the government upon the private rented sector should be an appropriate prompt for landlords to ensure that their buildings are compliant. There seems an almost insatiable appetite to demonise landlords currently and so it is more important than ever that you meet your obligations as a property professional.

This month I thought we could consider asbestos in buildings. I think all landlords are familiar with what asbestos is and the prejudicial effects it can have on health. Less common, I find, is knowledge of what to look out for and what to do if asbestos is discovered.

Asbestos was historically used in considerable quantities in building construction, and you may be surprised to learn that it was only completely banned in the UK in 1999. Consequently only buildings constructed since 2000 can be safely considered to be free of asbestos.

The 2012 Control of Asbestos Regulations provide an explicit duty on the owners of non-domestic premises who have maintenance and repair obligations to assess and manage the risks from the presence of asbestos. In a housing context, the communal areas within blocks of flats would constitute non-domestic premises.

There are six types of asbestos, although most commentators refer to the common three strands of asbestos - crocidolite, amosite and chrysotile. They are often referred to as blue, brown and white asbestos, respectively.

The most common misconception is that where asbestos is identified a building, it should be removed. This is not necessarily the case. Asbestos materials in good condition and unlikely to be disturbed during the normal use or routine maintenance of the building do not present a significant risk. It is those in poor condition, disturbed or damaged that can release fibres into the air and which can cause serious lung diseases, including cancer.

The first step is therefore to have an asbestos survey carried out. The assessment should consider the risk of exposure through the normal use of the building with people living in it, and routine or foreseeable maintenance and repair. If the risk is considered low then leaving the asbestos in situ may present a safer solution than if the asbestos was removed.

Where asbestos is identified or suspected, the surveyor is likely to take samples of asbestos containing materials (known as ACMs) for laboratory analysis. The survey most landlords would commission is called a management survey. The alternative option is a demolition survey, where a more thorough investigation takes place in advance of the comprehensive redevelopment or demolition of premises.

Many of you will be familiar with the asbestos sheeting that is often present on a garage roof or the asbestos cement that is often found as part of pipework. You should also be aware that asbestos can be found:

- **in the backing of floor tiles**
- **within textured coatings on walls and ceilings**
- **as flashbands in electrical cupboards**
- **within ceiling tiles**
- **as a material in cisterns and tanks**
- **as pipe insulation**
- **as a dpc material**
- **thermal panelling on the rear of airing cupboard doors**

If asbestos has been used in a building, you should be mindful that it may have also been used in other areas, simply because it was available on site at the time of construction. Consequently, I have seen asbestos as a packing material at door frames and loose as loft insulation between ceiling joists.

Another important consideration is to understand who can undertake an asbestos inspection. Many of the compliance inspections in property, such as legionella assessments and fit for habitation inspections, can be undertaken by the landlord themselves if they are considered a competent person.

This is not so with asbestos. The HSE guidance notes mention both qualifications and a minimum of six months' experience before an individual can be considered competent. Therefore you will have to outsource this inspection.

Once the inspection is completed and asbestos has been identified, you are obliged to implement a management plan. This would need to include records of the removal of any ACMs. Further, it would include the need to repair, seal or remove any items where there is a risk of exposure and regular inspections to monitor the condition of asbestos materials.

You will need to continually assess whether the use of the building or any planned repair or maintenance may present a risk of exposure. Not only can the use of the building change over time but also the asbestos material can deteriorate, particularly if exposed to moisture, sunlight or a lack of ventilation. Generally over time the material becomes more brittle.

As always, I am happy to assist readers of YPN and can be contacted on 01843 583000 or graham@grahamkinnear.com

Graham is the author of "The Property Triangle".

HOW TO FIND BETTER TENANTS AND INCREASE YOUR HMO RENTS THE 12 ESSENTIAL MUST DOs!

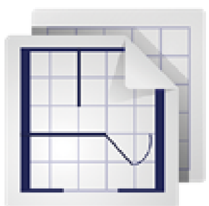
With Andy Graham

Ok, great! You've found the perfect HMO, you've refurbished it into a palace and you're ready to get your first tenants moved in … but how do you find the right tenants in the first place? After all, the modern tenant is a highly sophisticated shopper and doesn't waste time when they're shopping for their next room or student home.

These are my 12 must dos to advertising your rooms …

1 GET GREAT PHOTOS (OR A VIDEO)

We place a huge emphasis on good photography and dressing the rooms. Bedding, cushions, plants and other things you might find in a typical home make it look attractive and welcoming. Awesome photos of your HMO will be sure to grab the attention of anybody on the hunt. To showcase your properties' best features, it's crucial take photos in good light and get a good selection of communal space and bedrooms. If you're not confident to take the photos yourself, it's worth asking a professional photographer.



3 USE FLOORPLANS

Savvy tenants like to get an idea of what the size and layout of a property is like. There are plenty of apps and online sites that can do this, and you don't even need a tape measure, you just need your iPad. Adverts with floorplans generate 33% more enquiries.

2 TIME IT RIGHT

Every city is different. Particularly when we're looking at students, I would recommend going live as early as mid-October for lets starting in the following July. That's quite early, and if your adverts are no good or you hit your local market too early, your adverts will end up at the bottom of search results, which you definitely want to avoid.

My advice is to monitor your local market very closely and start advertising as early as possible. For professional rooms, we have found the optimum time to advertise a room is three weeks before it is due to become vacant. Advertising earlier can often be effective, but tenants are less motivated and may procrastinate more, which can lead to multiple viewings but no agreements which costs time and money.

4 CREATE ENGAGING DESCRIPTIONS

Be honest, but let prospective tenants know what they want to hear. How many bedrooms does it have? How many bathrooms does it have? Is it big and spacious or small and cosy? Draw attention to the cool features like the TV on the wall, the vibrant feature colours and tell them how great the outside space will be for summer BBQs. Don't forget to make sure your contact details are included too.

I see some terrible adverts with short and uninviting descriptions. Space the text out so it's easy to read and use bullet points to highlight key features.

5 CHOOSE THE RIGHT PLATFORM

For students, see if you can develop a relationship with the university accommodation department. Often landlords can utilise the university portals to display their properties. For example, in Sheffield our properties get approved by the Snug scheme, a property inspection standard run by the two major universities in the city, and houses can then go on their website for free. We get a lot of traffic through Snug.

Access to Rightmove is the other biggie for students, and you can do this through a few portals including Speedy Lettings, Upad, OpenRent, etc. Upad is my favourite and we buy credits in bulk. For HMO rooms, Spareroom is still our number one, but Roomgo (formerly EasyRoommate) can work too. Upad and OpenRent also have the function to advertise rooms, allowing your rooms to be on Rightmove which will give you more exposure to tenant shoppers.

Local Facebook groups sometimes yield a result, but every group and city is different.

6 RESPOND IMMEDIATELY

This is the most important of all. Once your advert is live, don't procrastinate on getting back to any enquiries. A swift, friendly reply will be sure to give a good first impression of you as the landlord, and it could be the difference between getting a viewing booked and missing out. I'm not sure what the statistic is, but I've found that my chances of converting an enquiry to a viewing are increased if I respond within an hour.

7 REMINDERS OF VIEWINGS

This made a huge difference for us. Just send a text reminder on the morning of a viewing and your attendance rate will significantly increase … ours certainly did. It will save time and resources and will give tenants a good impression of a professional landlord or service. If more people turn up to viewings, you've got a better chance of renting a room, simple.

8 TWEAK YOUR ADVERTS

On platforms such as Spareroom, tweaking your advert daily will help ensure you stay at the top of the listings page. You can refresh or pay to boost your adverts, but by changing some of the text in your advert and swapping the lead photo, your advert is placed back towards the top of the listings. You don't need to do this on platforms like OpenRent, but on Rightmove you can pay for a premium listing which will highlight your advert or keep it at the top of a listings page.

9 MAKE THE HOUSE COMFORTABLE AND INVITING

Remember to give any existing tenants plenty of notification of a viewing and if you can, ask them to clean and tidy up beforehand. If you don't trust your current tenants to make the place look its best, you could arrange for the cleaners to go in.

If your property is empty, make sure it's a nice temperature and consider firing up the heating for an hour in advance to make it feel more inviting. Be sure to open the curtains and blinds which will make it feel much more spacious and lighter and consider a natural air freshener too.

10 BUILD RAPPORT

Take the time to talk to your prospective tenants. Viewings are a prime opportunity to do this. Be warm and friendly, ask questions and show genuine interest. Give them the time they need to have a good look around. Aim to build a positive relationship from the start which will hopefully pay dividends throughout the tenancy.

11 RECRUIT ON VALUES

Ensuring you recruit the right type of tenant is one of the most important parts of the lettings process. Get this right and you can almost guarantee you'll have a headache-free year, but get it wrong and you'll be climbing the walls.

Following a good application process is essential to safeguarding yourself and your property from bad tenants and a bad letting experience. Whilst there are laws out there to help protect landlords, legal proceedings can be uneconomical and inefficient, so here's our advice on how to make sure you never end up in that position.

Don't jump at the first prospective tenants you get. Make sure you do your due diligence and choose the right tenants for your property. Don't be afraid to say no! If you have your doubts, or don't feel at ease with a prospective tenant or group, you are well within your rights to politely decline them. This is your investment and it is at your discretion as to who occupies your property. Remember, having a bad tenant will cost far more in the long run than sacrificing a few weeks' rent to find the right tenant.

12 PAPERWORK AND SIGN UP INSTRUCTIONS

Before you do a viewing, it's a good idea to print the bio of your property and take it with you. You can give it to prospective tenants so they leave with a physical reminder of your house. You can outline the sign-up process and use it as an opportunity to set a good example of how efficient you are as a landlord. You should have a digital version of your application process too that you can send straight to their inbox after the viewing.

GET IN TOUCH

Email: **andy@smartproperty.co.uk**
Website: **smartproperty.co.uk**
Instagram: **smartpropertyinvestment**
Facebook: **Smart Property**

If you have any questions about property investment and HMOs, please feel free to get in touch with us.

CATASTROPHES, CALAMITIES AND DISASTERS...

By **Francis & Emily Dolley**

What could possibly go wrong? Well, like any business ... plenty! Not being able to rent the rooms, spending too much on the refurb, landlord tries to take the property back, nightmare tenants, lender calls in the mortgage, not making any money on the deal, the landlord turns into a tyrant, the boiler blows up, landlord dies or goes bust, tenants trash the property, you get completely overwhelmed or the market becomes saturated.

Phew, what a list. But if you set your business up correctly and manage it well, you won't get to experience many of these. We can't cover all of them in this article but you can find the full blog at **www.multiletcashflowsystem.com/blog**. This month, we thought we'd cover the most common problem people encounter: not being able to rent rooms.

Voids are probably the number one cause of sleepless nights for most property professionals, but with focused determination and just a little creativity, they can be completely eradicated. How do we know this? Because we managed to do it over five years ago and have never had a void since.

ACTION PLAN

The first thing to do is to upgrade your ads. There are so many dull undressed rooms with ads that say ***"Room for rent in xyz area"***, and in today's market this just won't do. We had our last property 3D-photographed so that potential customers can do a walk-through viewing on their phone. You can only really do this with properties new to your portfolio, so existing properties need a different approach.

You must beautifully dress each room, employ a professional photographer and take great care to get the perfect image. Next, turn your attention to the advert wording. The established formula is **AIDA - attention, interest, desire, action**. Split your ad into four paragraphs with headings as this makes it easier to read. Think of your headline as your showstopper, something that will cause people to stop scrolling and click on your advert.

Some of our best performing headlines have included "sanctuary", "Victorian splendour" and "brilliant housemates". Remember that you're not really selling the room, you're selling the lifestyle. Many of our customers have said they really like the buzz that the advert created. Try to provoke and entertain, be quirky with your house and area details and make sure to mention transport links.

A woman in our community has found Facebook Marketplace to be a fantastic source of tenants. She originally entitled the advert something like "Beautiful rooms in modern house share", as that's what works on SpareRoom. But found nobody was finding it because the FB search engine works differently. So she changed it to "Room to rent rooms to rent rooms to let room to let" and now she gets a couple of leads a day.

THE PERFECT VIEWING

Of course getting them to want to view the room is only half of the challenge. Once they turn up you'll need to be able to sell them the room, the house, the housemates and the area. Make no mistake - you (or your property manager) are in sales, baby!

We spent a lot of time working out exactly what to say to prospective customers and the best way and time to say it. Like everything, it's a learnable process. All you need to do is to internalise it until it becomes second nature.

Something else that has been a runaway success for us is using Skype or FaceTime for viewings.

Some people are unable to get to the property; we get a lot of French workers destined for Airbus in Bristol. People are anxious about taking a room without seeing it. Some SpareRoom photos are years out of date, but you can't hide anything with a live viewing. We also arrange for them to meet a few other tenants via video chat and have a phenomenal 90% success rate with these types of viewings.

There are some words every manager hates to hear at the end of a viewing: *"can I get back to you?"* or *"I have a few more to look at."* When a potential tenant says something like this, we ask the time of their last viewing and call them 30 minutes later to ask some emotive questions like; "how do you feel about xyz? How does living at xyz sound? Can you see yourself living at xyz? When do you want to move in?" This way, we will be the last people they speak to and therefore will be at forefront of their mind. No-one else is doing this and it enables us to hoover up any strays.

Remember to always sell the lifestyle – the area, peace of mind, cleanliness and cool housemates – and not the room. Use words like hip, trendy and chic. Be the ideal landlord and always ask for the sale.

You can also use pay-per-click, Facebook Marketplace, Gumtree, Rightmove, OpenRent and others. You can hire a virtual assistant to do all admin and SpareRoom work and send a minimum of 50 messages per day to prospects.

You can create a form in The Engine Room multi-let management software for VAs to capture prospective tenants' details.
If a room is slow to move, you can offer one week rent free, waiver the admin or reference fee, no deposit, a reduced minimum period or maybe even a trial period.

In the past, we've gifted a 24" TV and have agreed to upgrade the room with a new carpet or laminate flooring. It's just about finding out what your customers want and giving it to them.

CONCLUSION

No matter how big or how small, ***every*** business will have its fair share of problems. As philosopher Theodore Isaac Rubin once said: *"The problem is not that there are problems. The problem is expecting otherwise and thinking that having problems is a problem."*

Yes, there will be times when you will be far out of your comfort zone. But true self discovery (and fun!) begins where your comfort zone ends.

As business owners, we must take great care where we invest our energy. While a tough problem might make you want to quit, none of the above problems are insurmountable. We always need to do extensive research before taking the jump, and when we do commit, we must move heaven and earth to ensure our venture is a raving success.

Most problems stem from lack of planning, no attention to detail and not giving your business the time and attention it deserves. The old maxim: *"If you fail to plan, you plan to fail"* has never been more true than when dealing with property. And in this information age there really is no excuse for a lack of planning.

YOUR HMO Q&A

With Rick Gannon

For those who aren't familiar with this article, each month I take real HMO-related questions from my online Facebook groups and publish the answers here so more people can benefit. If you have any questions you would like answered, then you can either contact the YPN team or post in the HMO and Community Group on Facebook.

Enough housekeeping, let's go!

Q) A new tenant on a 12-month AST messaged me after a month to say that he's moving out. I've explained that he's signed a contract, but he said that I can't stop him. He let me know that he has left the keys at the property. I assume this counts as abandonment. I had planned for him to pay May's rent before signing a deed of surrender, but he won't reply. Should I leave it, or try to issue a CCJ/something else?

A) Sadly, this is an element of business that does occur from time to time. Regarding the abandonment issue, I think it's a fair assumption as he has given you notice via text message that he has no intention of returning.

There are two ways of looking at this. You could pursue him via Money Claim Online to attempt to recoup your losses, but it would take a lot of headspace and there is no guarantee that you will ever receive any money. If the tenant has a guarantor, I would encourage you to call them and talk to them about their obligations.

The alternative is to move on. Concentrate on finding a new tenant for the room. The upside of the tenant leaving is that your mind is now clear to focus on other parts of your business. But on the other hand, the downside of walking away is that it may give landlords a reputation of being easy and may encourage others to do the same.

The great thing about being in business is that you can make all your decisions. In this situation, there are many options available and there are no right or wrong answers. Ultimately, it is down to you to make the choice in the best interests of yourself and your business.

Q) I have seen others posting on forums about the benefit of having lockboxes in situ at HMO properties. Whilst I can see the reasons behind this, what is stopping the tenant from using it as a spare key for themselves?

A) The idea of lockboxes is so that the landlord doesn't get called out for the sake of a lost key or a locked-out tenant. The person in need can call the landlord and request the code. After the tenant replaces the key, the landlord needs to go over to the house at a convenient time to change the code. It takes minimal management and prevents those midnight call-outs. If you do operate this system, then ensure you have one box per room for safety. We always have our boxes in place before the first tenant is checked in.

Q) I operate a rent-to-rent business and I am aware that the new Client Money Protection Scheme came into force on the 1st April 2019. As a rent-to-rent operator, do I need to register for the scheme even though I don't hold any of the clients' money?

A) This is a very good question, and is quite topical at the moment.

A Client Money Protection Scheme is for property agents to protect their clients' money against theft or misuse by the member's owners.

There has been an awful lot of conflicting advice in and around social media groups regarding this and like any law, often it may come down to interpretation. I emailed Client Money Protect, a registered scheme, directly and posed this question:

"As a rent-to-rent operator, we do not deal with any clients' monies. Are we still required to register for the scheme?"

CMP replied saying that as a rent-to-rent operator, we would not fall under the l egislation and therefore would not need to register. However, the scheme would be policed by local Trading Standards who would enforce any breaches. The advice was to contact them directly.

A member of a separate property community contacted Trading Standards. They were advised that a rent-to-rent operator would be classed as an agent as per the Section 54 of the Housing and Planning Act 2016.

Although you can google the legislation, I've copied below the piece of legislation that Trading Standards referred to:

> *"In this Part "letting agency work" means things done by a person in the course of a business in response to instructions received from— (a) a person ("a prospective landlord") seeking to find another person to whom to let housing, or*
>
> *(b) a person ("a prospective tenant") seeking to find housing to rent."*

Like anything in law, I believe it can be open to interpretation and may all be down to the wording of "instructions received." But the argument is – do rent-to-rent operators receive instructions?

There we have it, conflicting advice from the bodies that are managing and enforcing this legislation … which absolutely doesn't help in the slightest.

As it is Trading Standards that are enforcing this legislation, it may be wise to contact your local office and explain your personal situation to them. Along with the above information, you should then be able to make your own decision.

Q) I see people talking about their great deals and how they are finding properties everywhere. I have been searching for properties that I can convert into HMOs, but I just can't get the deals to stack. Can you offer some advice on where to find these deals?

A) This is a very popular question and like anything in business, finding great deals is all about persistence. There are many ways to source property … after all there are around 500,000 properties listed across some of the major platforms. But properties listed with agents are probably not going to be the best deals for you in terms of sale price.

The very best deals are usually sourced directly with the owner. This can be done in many ways, either by writing to the owner, leaflet dropping or through attending networking meetings.

If you are using a direct-to-vendor campaign, it is all about building relationships with the owner. Even if it is through a letter, each time you make contact you are building the relationship, and this takes time. I often see people using a letter campaign and giving up after two or three times because they haven't yet found a deal.

Did you know that the average contact to a sale is seven? That means a minimum of seven individual contacts before you can even get a sniff of a deal. Please ask yourself before you think it doesn't work, how many contacts have you made with the owner?

Rome wasn't built in a day and this isn't a race. Be persistent, keep going, keep networking and keep smiling!

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".**

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BIN THE PAPER IN YOUR PROPERTY BUSINESS

By **Jacquie Edwards**

Even though I am always on my laptop or mobile, I sometimes feel like I am still drowning in paper. And working from home this means my house is covered in paper. There are stacks of it everywhere – bills, invoices, bank statements, tenant files, legal papers, safety certificates … AHHHH!! It's a never-ending nightmare.

What do I have to keep? How long do I need to keep it? What can I get rid of immediately? It seems like everything has a different rule. So what do you do?

I can't go into much detail in this article … but I'll do my best to give you my top tips for cutting down on the paper and working towards a paperless existence.

Let's get started with what I think are the ***4 Top Ways to Bin the Paper in Your Property Business:***

1 Sign up for paperless billing

This might seem like an obvious one, but if you are someone who constantly changes utility supplier to get the best deal – or just missed the tick box for paperless billing – then this is the time to just get it done. This includes your banks. You don't really need to keep paper bank statements this day and age. (Unless you have crazy visa requirements like I did when I first moved to this country that required me to keep 12 months' worth of original paper bank statements for all my bank accounts and send them to the home office!)

Pretty much every big utility supplier now has a paperless option. Yet even with the paperless option, they still seem to send a lot of junk. But every little bit helps though, right? You can often opt in to go paperless online or with a quick phone call. And sometimes doing so gives you a bit of a discount on your monthly bill!

2 Use online forms

If you have paper tenant applications or tenancy contracts then these are definitely areas where you can go paperless. It will depend a bit on your tenant type but most people are more than capable of filling out online forms. If you want to write your own, Google Forms is a great free-to-use option to create quick application forms for a new tenant to fill out. Most referencing companies also have online forms that you can email to your new tenants directly so their information goes directly to the referencing company (I use www.lettingref.co.uk).

> "There are loads of web services for tenancy contracts, like Signable, which allow you to easily and legally to electronically sign documents."

Once we moved away from paper application forms and tenancy agreements, my paper burden drastically reduced. Because let's be honest … those documents are usually many multiples of pages and who has the space to store all those?

3 Document your property audits and safety reviews electronically

As professional and conscientious landlords, we all want to make sure that our properties are well looked after and our tenants are safe. This means we need to do regular fire safety inspections, legionella inspections and general property maintenance reviews (or have a way of verifying that our managing agents have done these). Every month, my team checks each of our HMOs using a custom checklist we created covering all the key maintenance and safety areas. There are some great templates available online, but most of these are paper-based. This is a great opportunity to use Google Forms or any of the other myriad of checklist apps to convert those paper forms into a quick online form/checklist that can be used every month. Doing this allows you to recreate any number of safety reviews so that you can make sure you've got the evidence of your performance and you know your properties are safe.

4 Get a scanner or use your mobile phone camera

Surprisingly, there are some companies who don't have a paperless option. My locksmith seems to need to send me paper statements as does my gardener. Take a quick scan or snapshot of the document, store it in your secure and backed-up online storage and then shred the original and recycle. Check with your accountant about what invoices they prefer you to keep in hard copy but most things should be fine in electronic format.

I hope those tips have given you a few ideas of ways you can reduce the paper in your business. It not only saves the clutter around your home/office, but it also is better for the environment … so you can feel good about saving the world a little bit while you are at it!

Jacquie

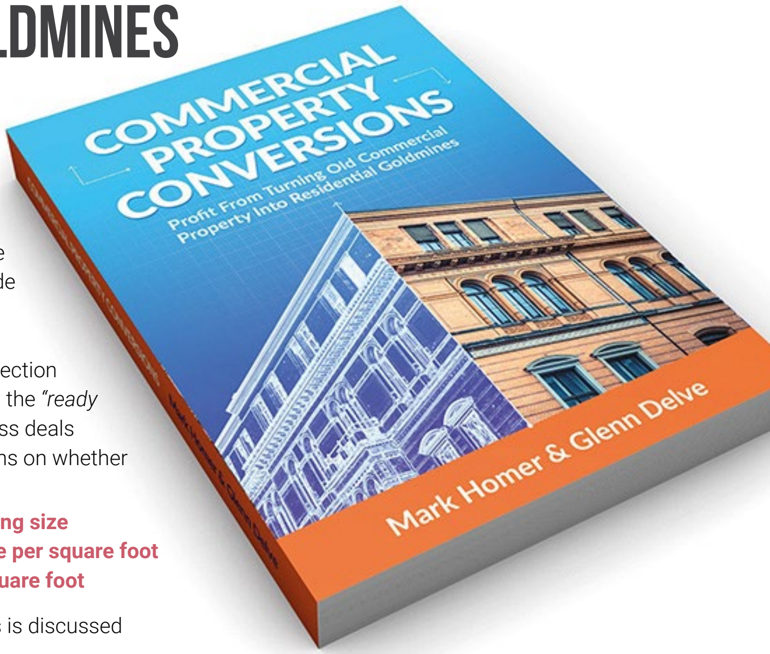
Property Go-To Girl

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

COMMERCIAL PROPERTY CONVERSIONS

PROFIT FROM TURNING OLD COMMERCIAL PROPERTY INTO RESIDENTIAL GOLDMINES

BY MARK HOME & GLENN DELVE



This book strikes a good balance between being very readable and providing significant detail for the aspiring developer. I'll just provide some key points from each chapter and let the reader delve deeper. One of the key recommendations is "niching" – picking a specific development strategy and a tight geographical area and developing expertise in both.

The book begins with a candid history of both authors. Mark's residential property story is well documented, but more recently he has focused on commercial to residential conversions. For Glenn, it has been a debt-ridden journey, which left him with over £140,000 of consumer debt and facing financial ruin. By chance, Glenn heard a webinar on doing bigger deals by Progressive Property and this has led to a very profitable foray into commercial conversions.

In the **second chapter**, the authors describe the advantages for undertaking commercial conversions. They cover conversion rights without planning permission, the low cost of floor area and the ability to outsource much of the development to a professional team. The next two chapters provide a definition of commercial conversions and the type of investor they are most suited to. The strategy can be implemented in stages by starting with BTLs, then HMOs, then smaller conversions and finally larger ones. Alternatively, with the right education and focus, one could embark on commercial conversions immediately.

In **chapter five**, the authors look at the two development options – the use of full planning or the planning shortcut termed prior approval. Obtaining planning consent is feasible with the right supporting team, but the process is lengthy, full of complexities and has an uncertain outcome. Their advice to new developers is to take the prior approval route and the remainder of the chapter provides an excellent description of the benefits and pitfalls of this strategy.

Chapter six describes the authors' guiding principles and describes the pros and cons of niching. Also discussed in this interesting chapter is using other people's money and the importance of networking.

Part two starts with outsourcing and focuses on hiring the five core power team members – commercial agent, planning consultant, architect, commercial solicitor and commercial broker. Establishing a relationship with one of them and asking them to recommend the others is a great starting place.

Chapter eight includes a wealth of information on the resources available to find deals. These include agents, online portals, auctions, sourcers and word of mouth. Another section of this chapter introduces the *"ready reckoner"* – a tool to assess deals quickly and make decisions on whether to view or not. It requires:

1. **the commercial building size**
2. **the development price per square foot**
3. **the sales price per square foot**

Each of these parameters is discussed in detail.

Also illustrated are the assessments you'll need to make when viewing, including the environment, shape of the building, the land, roof, windows etc. If the deal looks viable, it will need to be assessed in detail and a useful list of items to include in your appraisal is provided. The chapter concludes with the correct ways to make offers, including providing agents with funding information.

Chapter nine goes on to describe types of funding and accessing it. It explains development finance and the metrics lenders use to decide the level of funding. Also discussed is bridging finance, other forms of debt finance available, and finding and working with private investors.

Chapter ten highlights the redesign process, which aims to add as much value as possible to the conversion. The general advice for maximising value and reducing risk of the build process is to strip out the building to identify faults and problems ahead of the tendering process.

The next step is getting an accurate measurement of the building, which the architect can assess. One needs to understand aspects of the prior approval strategy to maximise profits and minimise risk. Depending on the end market, one also needs to finalise the layout and create a schedule of finish and specification for the builder.

Chapter 11 explains the build process and recommends that one should get three to four quotes, and only hire a personally recommended main contractor after sufficient due diligence. All good contractors will want clarity for the tendering process and the pros and cons of various tendering models and contracts are described as well as other items for consideration including utilities, guarantees, insurances and snagging.

The final chapter discusses exiting the deal, which the developer should have planned at the beginning! The options include either holding or selling the units and advice is provided on both exits. A number of additional topics are examined including the different forms of tax and options for mitigation. The appendix provides a useful glossary of prior approval types.

WHO IS THIS BOOK FOR?

This book will appeal to any newcomer to commercial conversions but it also has lots of very useful and carefully explained content for experienced developers. Key points are illustrated with case studies and where used, terminology is carefully explained. Some of the key take-home messages and analogies are particularly useful, for instance:

1. **all the expertise required to deliver large projects is available for hire**
2. **as a developer, you're like the conductor of an orchestra and must draw the experts together around you**
3. **the key to delivering commercial conversions is niching, both geographically and by conversion type.**

Book reviewed by:

Raj Beri

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Available from **Amazon** Date published: **2018**

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The Property Ombudsman LETTINGS | The Property Ombudsman SALES | LinkedIn

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.

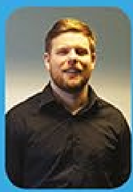
The initial conversation I had with Mike, was the most productive I've had in years, it helped me immensely going forward in terms of the deals I should and shouldn't do.

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

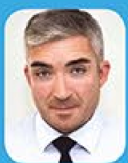
London Marriott - Canary Wharf

Wednesday June 19th. 1 hour consultation slots from 10am till 5pm.

Ramside Hotel - Durham

Wednesday June 26th. 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

HOW TO MAKE A GIANT LEAP TOWARDS FINANCIAL INDEPENDENCE IN 2019

By **Marcus de Maria**

Wouldn't it be great if there was just ONE thing you could do in order to make that giant leap towards financial independence in 2019? Unfortunately these things are rarely that easy. In our experience there are several things you need to do.

STEP 1 TIDY UP YOUR RELATIONSHIP TO MONEY

Most people don't have a great relationship with money. How do we know? You just need to look at the results. How much money do you have in the bank? How many properties do you have? What is the size of your stocks portfolio? This will tell you about your current relationship to money. If your bank account is full of money or you have a lot of investments, it is fair to say that you have a good relationship; if you don't have these things, then you probably don't have such a great relationship to money.

So how do you change that relationship? The first step is to become aware of what your beliefs actually are. Most people have subconscious beliefs around money that don't serve them, yet they don't even know it. Having a discussion with your partner about what the word 'money' means to you, and what you think will happen to you on your journey to acquiring wealth, is a great start. That in itself will bring out some interesting beliefs that you might not have even known you had, which could be stopping you from moving forward.

Don't put off doing this exercise. Do it as soon as possible. Once the blocks have disappeared, you will find it easier to take that giant leap forward.

STEP 2 DECIDE ON WHAT YOU WANT AND WHY YOU WANT IT

You need to know what you want. Write down exactly what you want, and the more detail you can add, the better. Clarity is the key here, because once you know what you want, you can focus on achieving it without wasting time. Most people don't know what they want and end up wasting a lot of time doing things that don't take them towards their goals.

Next you need to know why you want it. This is a very misunderstood step. Even the people who know what they want (and most people don't), often don't know why they want it.

Why do you want wealth?

When you answer this question, the emotion that comes forth needs to be so strong that you will do things to achieve it that other people are not willing to do. If your reason is strong, you will be willing to do what you wouldn't normally do. And the result will be that you will get what others don't and what you didn't have before.

I am going to say something controversial right now and you might not like it. **The reason that you aren't financially independent yet is because you have never really made it a priority to be financially independent.**

Maybe you have toyed with the idea. Maybe you even decided to make more money. But you haven't yet committed to it and never made it a must.

This leads me to my next point: you need to know what you are willing to sacrifice to get there. This is an important one. Most people want to get to heaven but no-one wants to die. Are you willing to do whatever it takes to achieve your goal of financial independence? Most people say they are … but in reality they are not. How do I know?

Simple. By their actions.

After working eight hours for someone else and travelling for another one and a half hours, most people want to get home to relax and chill. The fact is that most people work eight hours a day making someone else wealthy, but won't even spend 20 minutes a day creating wealth for themselves.

What about you? Do you work evenings and weekends to get ahead? Or are you like everyone else, doing the least amount of work but expecting to become financially independent regardless?

STEP 3 PLANNING

You want to be financially independent? Ok, then answer this question:

"What is your definition of financial independence?"

If you can't answer that question, then how do you expect to be financially independent?

Financial independence is when your investments throw off enough money for you to live without you working. It is not the millions that most people think. In fact, you might be surprised to know that it is probably less than £1million. Financial independence is just enough for you to not need to go to work. Let's work it out.

How much money do you need to live off to cover your outgoings if you decided to downsize your life a little? Most people could live off £50,000 a year. If there was a way that we could show you how to make 10% a year on your investments on average, then how much money do you need invested at 10% to give you that £50,000 a year? The answer is … £500,000.

If you work out your current finances, ie, where you are now financially – that is called your net worth. If you add up all your assets and take away your liabilities (in other words, add up everything you own minus everything you owe), you come to the only true measure of your wealth, your net worth. That is now, the present.

If you have worked out your current finances, and you know what the financial independence number is for you, then you can start to plan how to get to financial independence.

To help you, we have a compounding chart which allows you to put in an amount of capital that you start with, a % return a month and how much money you can add a month. (See **www.investment-mastery.com/compounding**.)

Make sure you use it along with your friends and family to help give you that big leap this year.

STEP 4 UNDERSTAND WHAT MONEY IS

Most people want more money, but don't actually know what it is. How can you get more of something if you don't know what it is?

So what is money? I believe that if you want more money in your life you need the following three things:

1. **You need to add more value to people around you**
2. **You need to be more creative in showing these people that you can add more value to them**
3. **You need to have a lot of passion about the service or product that you offer. Anything below 8/10 will not do**

There is no point in you thinking that you are adding value if your clients don't agree. It is not about you, it is about them. Think about how you can add more value to other people. If you are in business, what can you add that you weren't before? You may have to be creative about it. What are other people doing? What do they do in other sectors and industries? Could you adapt that to make it work in your own business? Have you tried it?

Asking your clients what they want more of is a great way to start. Surrounding yourself with the right people who help you come up with the right idea is a fantastic way to finish (see Step 6).

Finally, don't chase the money. If you are doing something you don't enjoy, it is unlikely you will make much money. Why? Because you will give up long before you become successful. But when you are passionate about something, people will not be able to compete with you and one hour will seem like five minutes. For those who find it a drudge, five minutes feels like one hour. Follow your passions.

Don't delay. Start adding some additional values to your business and your finances will go through the roof. Just remember, other people need to believe it is of value, not just you. Be creative, do what you love and all will be well.

STEP 5 LEARN THE FINANCIAL CONCEPTS OF THE WEALTHY AND THE SKILLS OF THE WEALTH

Take a look at this diagram:

Most people earn money in a career. Some people have a business. A few have more than one property or own stocks. And now making money from the internet is becoming a mainstream way of making money.

How many of these pillars of wealth do you currently have? Don't make the mistake a lot of people make. If they don't like their job, they look to replace it with something else. Swapping one pillar for another does not give financial stability. Think of your job as a steady income stream which allows you to work on the other pillars. Don't give up your job just yet. Work on building up several pillars and then work on making them as passive as possible.

STEP 6 SURROUND YOURSELF WITH THE RIGHT PEOPLE

Reading Your Property Network and learning from experts are great things to do. And one of the fastest ways to achieve your goals is by having a coach and/or a mentor. It will get you from where you are now to where you want to go in record time. If there is only one action I would recommend, it is this one.

Learning from people who are already where you want to be and modelling how they think and what they do is, in my mind, the single most important action you can take. If you do what successful people do, you will start acquiring their habits. Once you have their habits you will start to get their results.

STEP 7 TAKE MASSIVE AND CONSISTENT WEALTH ACTION

How many of you have ever read the book or seen the movie The Secret? It basically says that if you can focus on something with enough emotion, it will come into your life. If only it was that easy! The truth is that you need to focus on something with enough emotion and work extremely hard to get what you want. And you need to do so consistently – day in, day out. Of course, that message isn't as sexy as what is portrayed in The Secret. But then again, the truth rarely is.

One of the five pillars of wealth is trading and investing in stocks, commodities and precious metals. We are holding 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 my 100+ page book for free at **www.investment-mastery.com/ypnmagbook**

Until next month …

Marcus

HOW TO FIND PRIVATE LENDERS TO FUND YOUR PROPERTY DEALS

Simon Zutshi

At some point, most property investors will run out of their own funds for a deposit. When that happens, most investors just stop investing. But it doesn't have to be like that for you. In this article, I want to share with you some simple strategies which you can use, to not only find people with money, but also attract them to you so that they want to lend to you.

WHY DO PEOPLE LEND MONEY?

There are plenty of people who have money in the bank, which right now is not doing very much for them. With the rate of inflation over 2% and most people receiving less than 1% interest per annum from their bank, it means that savers are literally losing money every day.

This is an issue for anyone with money in the bank right now. They are looking for alternative ways of getting a better return rather than leaving it where it is. This money might be savings built up over time, an inheritance, or sale of a business, property or shares. It doesn't really matter where it has come from, but it's a fact that it isn't working for them by leaving it sat in the bank.

This is why the peer-to-peer lending platforms have been so successful. For example, my business, CrowdProperty offers lenders the chance to earn a secured 8% per annum by lending their money to help fund property development projects. It can even be tax free, if invested through the HMRC-approved CrowdProperty ISA.

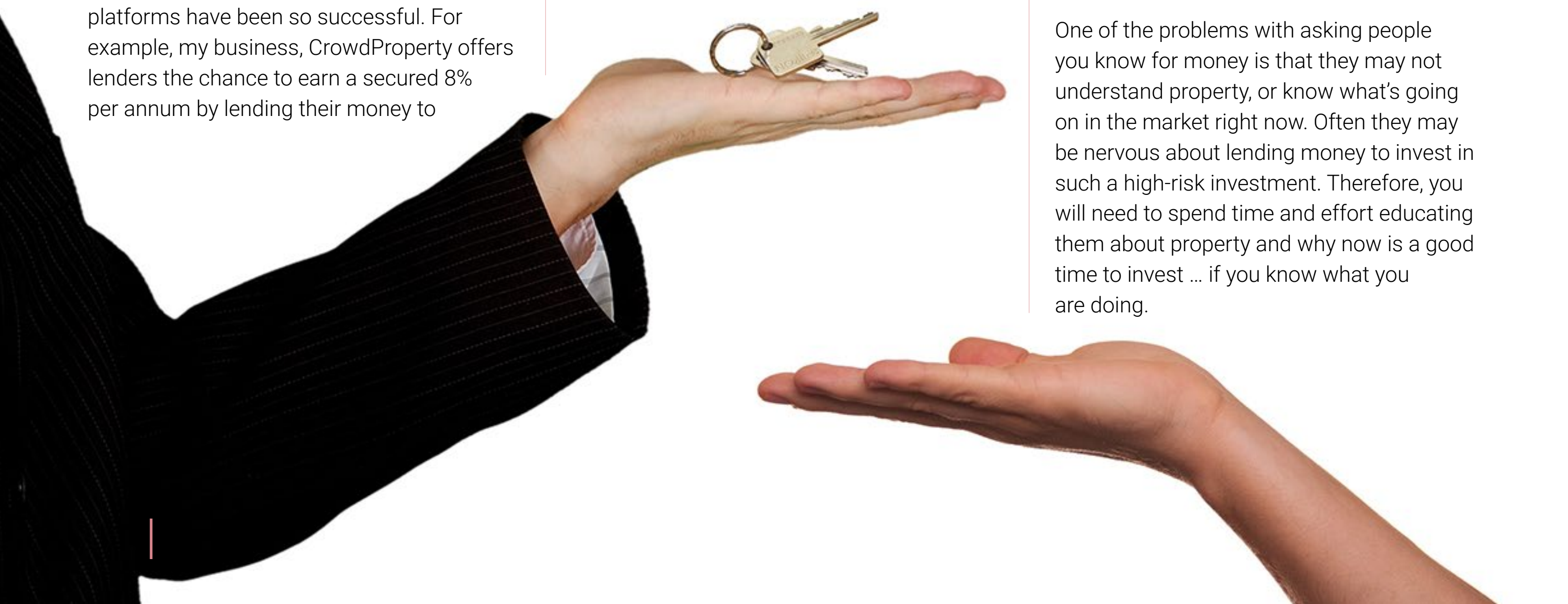
WHY DON'T PEOPLE JUST INVEST IN PROPERTY?

Most people recognise that investing in property is a good idea from which they can make a lot of money. The two million private landlords in the UK are a testament to that, as they often made the choice to invest their spare money into property.

However, there are far more people who have money in the bank and would love to invest in property but just don't have the time, knowledge or inclination to do so. How do I know this? Well, most of my students use other people's money to invest once they have run out of their own deposit funds.

HOW DO YOU FIND THESE PEOPLE WITH MONEY?

There are people with money everywhere. But the problem is that many people are uncomfortable talking about what they have. It is seen as rather uncouth to talk money.



In fact, I guarantee that you already know at least a few people, family, friends or work colleagues who have got some money in the bank that you don't know about. And why would you? Most people keep this information to themselves.

You never know who might have money. It is important not to judge or to make assumptions about who has money. Someone may have had no money for all their life, and then they inherit some cash from a family member and they don't know what to do with it. So they leave it in their bank.

YOU HAVE TWO CHOICES

First of all, you could start speaking to everyone you know. Don't ask them directly if they have money, but instead ask them: *"Who do you know who might like to get a better return on their money?"*

If you ask enough people, then you will eventually find someone. However, most investors don't like asking people they know, because they are worried what they might say or think. If this is how you feel, then you need to get over it and recognise that you could help your family or friends while helping yourself. It can be a mutual win-win.

One of the problems with asking people you know for money is that they may not understand property, or know what's going on in the market right now. Often they may be nervous about lending money to invest in such a high-risk investment. Therefore, you will need to spend time and effort educating them about property and why now is a good time to invest … if you know what you are doing.

Alternatively, you could start looking for people who have money and are already bought into the concept of investing in property, but don't have the time, knowledge or experience to do it themselves. Where do you find these people? The best place is at property networking events or property seminars.

They may be attending because they want to learn how to do it themselves, but perhaps they've realised they don't have the time or want the hassle. Maybe they'd be more comfortable working with a more experienced investor. Sometimes people who are interested in investing attend property seminars and networking events to find people like you with whom they can work.

Here is a big tip: if you are looking for cash-rich investors, make sure you attend the paid-for property seminars. They tend to attract a better quality of investor. Some of the free events are full of sales pitches and are marketed to people who don't understand the value of investing in themselves.

If the option is there, and you can afford to do so, pay to go VIP. Oftentimes people who are interested in investing have also paid to mix with high net worth individuals. I always do this at events I attend.

RAISING YOUR PROFILE

When you meet people at property events, you need to connect with them and start to build a trusted working relationship. This takes time. Don't expect someone to offer you £100,000 the first time they meet you. They need to get to know you, trust you and work out that you know what you are doing. You can speed up the process of building your credibility by raising your personal profile. There are a number of ways of doing this.

Social media is the easiest way. Don't keep that you are active in property a secret. You also need to demonstrate your results. Posting pictures of your properties on Facebook and LinkedIn works really well. I am sure you have seen pictures of people holding keys in front of their new property. It may be bit cheesy, but it proves you are in the game. Other pictures you could post include before and after shots, and photos of you and other investors present at networking events and training. This shows you're investing in yourself. How can you expect anyone else to invest in you, if you don't invest in yourself?

Another way to raise your profile is to get known at local property meetings. Attend every month, arrive early and plan to leave late. Make sure you introduce yourself to people you don't recognise, and don't spend all your time speaking to people you already know. Your goal is to become a familiar and trusted face at your local meetings.

Some networking meetings offer the opportunity for everyone to stand up and introduce themselves to the room. Use this time to say how you can help others and let them know what you're doing, and hopefully people will come and talk to you. But don't just stand up and see what comes out … think about what you want to say and practice it. Remember, first impressions are important so you want to make the most of this opportunity.

If you would really like to take it to the next level, you could present at your local networking meeting. Giving a presentation about your experience, strategy or case study gives you the opportunity to demonstrate your knowledge, experience and expertise. By standing at the front, everyone in the room will get to know you. Being chosen to speak automatically gives you some credibility. I know that most people dread the idea of speaking to a group of strangers – it can be incredibly daunting.

I used to hate it too, but I had some training and with some practice, it's now not that bad. The benefits massively outweigh the fear.

And finally, one of the best ways to raise your profile, gain credibility and attract potential investors is to be featured in YPN. The editors are always looking for interesting case studies of how people have achieved success using different strategies. Over the years, many of my students have been featured in this magazine and they have often told me how they're contacted afterwards by people who want to work with them.

So the message is clear. There are plenty of people out there with money in the bank who would like to get a better return on their money. Raise your profile, get out there and attend events to let people know how you can help them.

I hope this article has been useful and given you some more ideas about how to attract private lenders.

Invest with knowledge, invest with skill

Best wishes,

Simon Zutshi

- Author of Property magic
- Founder of property investors network

WOULD YOU LIKE TO SPEAK AT A PIN MEETING?

At pin we are always looking for people to share their story and experience to add value to our network meeting attendees. If you don't know what to talk about, or how to put your presentation together, then I would highly recommend you attend our one-day speaker training. Learning how to speak and present is a highly valuable life skill. After attending, you will have the skeleton structure of your presentation and know how to confidently present to any audience. We give you lunch and a workbook with all the notes. As usual with all our one-day events, there is a 100% satisfaction money back guarantee. We limit this training to a small number of delegates to make sure you get the maximum benefit from attending. You will also be given the opportunity to deliver your presentation at one of our pin meetings. This training available for **£297 + VAT**. We only run four training days per year. To find out more, visit: **www.propertyinvestorsnetwork.co.uk/speaker-training**

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.

PI insurance 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

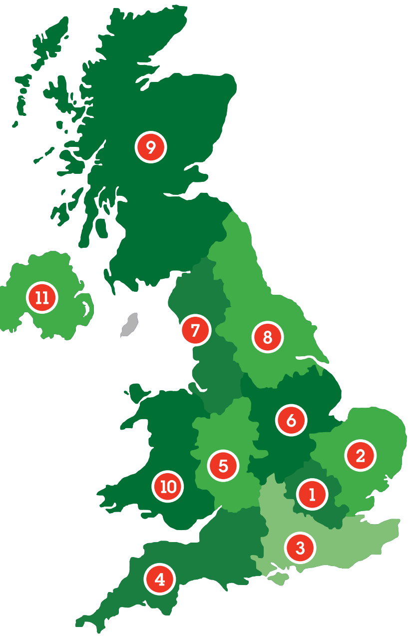
UC Universal credit

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 05/06/2019
WeWork Kings Place 90 York Way London N1 9AG **Hosts:** Jamie Madill & Steve Mitchell
progressivepropertynetwork.co.uk/stpancras

PPN London Knightsbridge 11/06/2019
Leo Nova South, 160 Victoria Street Westminster London SW1E 5LB.
Host: Pippa Mitchell
progressivepropertynetwork.co.uk/knightsbridge

PPN Blackfriars 10/06/2019
Crown Plaza 19 New Bridge St London EC4V 6DB **Host:** Kevin McDonnell
progressivepropertynetwork.co.uk/mayfair

PPN Canary Wharf 20/06/2019
De Vere Canary Wharf 1 Westferry Circus E14 4HD **Hosts:** Kal Kandola and Diksesh Patel
progressivepropertynetwork.co.uk/canary-wharf

PPN Mayfair 27/06/2019
The Washington Mayfair 5 Curzon St Mayfair London W1J 5HE
Host: David Seigler
progressivepropertynetwork.co.uk/mayfair

PPN Bank 03/06/2019
Brand Exchange Members Club 3 Birchin Lane 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

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 10/06/2019 Best Western Ipswich Hotel Old London Road Copdock Ipswich IP8 3JD **Host:** Halstead Ottley
progressivepropertynetwork.co.uk/ipswich

PPN Peterborough 17/06/2019
Holiday Inn Thorpe Wood Peterborough PE3 6SG **Host:** Josh Shaw
progressivepropertynetwork.co.uk/peterborough

PPN Brentwood 04/06/2019
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 **Hosts:** Andy Gaught & Jonathan Barnett
www.berkshirepin.co.uk

Southampton pin
1st Tuesday of the month
Chilworth Manor Hotel Southampton Hampshire SO16 7PT
Hosts: Nigel Bugden & Jon Woodman
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/property hubsouthampton/?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

Property Expert Network Launch Event (PEN) Monday 3rd June 2019, 7.00pm – 10pm Solent View Room at Pyramids, Clarence Esplanade, Portsmouth, PO5 3ST
Guest Speaker: Jon McDermott
https://www.eventbrite.co.uk/e/property-expert-network-launch-event-by-town-planning-experts-tickets-60478869928

ZONE 4

Bournemouth pin
2nd Tuesday of the month
Sandbanks Hotel 15 Banks Road Poole BH13 7PS **Hosts:** Mike & Debbie Watts
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

Devon pin 4th Thursday of the month
Buckerell Lodge Hotel Topsham Road Exeter EX2 4SQ **Hosts:** Kevin & Sally Cope **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 **Host:** Leo Santana
www.swindonpin.co.uk

PPN Bournemouth 18/06/2019
The Ocean Beach Hotel & Spa 32 East Overcliff Drive Bournemouth BH1 3AQ
Host: Leigh Ashbee
progressivepropertynetwork.co.uk/bournemouth

PPN Swindon 11/06/2019
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 04/06/2019
Molineux Stadium Waterloo Road Wolverhampton WV1 4QR
Hosts: Tim and Sue Gray
progressivepropertynetwork.co.uk/ wolverhampton

PPN Birmingham 12/06/2019
Members Club House Edgbaston Priory Club Sir Harry's Road Edgbaston Birmingham B15 2UZ
Host: Kirsty Darkins
progressivepropertynetwork.co.uk/birmingham

PPN Leamington Spa 19/06/2019
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

Saj Hussain's Peer Meetup for Property People 3rd Tuesday of the month, no meeting in August and December Midlands Arts Centre, Cannon Hill Park, Birmingham, B12 9QH
https://www.sajhussain.com/networking

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 4th Thursday of every month
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 11/06/2019
Nelsons Solicitors Sterne House Lodge Lane Derby DE1 3WD
Hosts: Mike Alder & Jamie Hayter
progressivepropertynetwork.co.uk/derby

PPN Leicester 05/06/2019
Marriott Hotel Smith Way Grove Park LE19 1SW **Host:** Kal Kandola
progressivepropertynetwork.co.uk/leicester

PPN Northampton 18/06/2019
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 27/06/2019
Best Western Plus Pinewood on Wilmslow Wilmslow Road Cheshire SK9 3LF
Host: Mike Chadwick
progressivepropertynetwork.co.uk/wilmslow

PPN Blackpool 24/06/2019
Ribby Hall Village Ribby Road Wrea Green Nr Blackpool PR4 2PR
Host: Niki Torbett
progressivepropertynetwork.co.uk/blackpool

PPN Liverpool 24/06/2019
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

Connect property network
1st Wednesday of the month
Wychwood Park Hotel, Wychwood Park, Crewe, CW2 **Hosts:** Daniel Hennessy and Scott Williams
www.connectpropertynetwork.co.uk

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 11/06/2019
Novotel Hotel 4 Whitehall Quay Leeds LS1 4HR **Host:** Mo Jogee
progressivepropertynetwork.co.uk/leeds

PPN Sheffield 25/06/2019
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 24/06/2019
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 ODD **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 13/06/2019
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

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.

PROPERTY AUCTIONS JUNE 2019

East Anglia

Auction House East Anglia 05/06/2019 11:00 Dunston Hall Hotel, Ipswich Road, Dunston, Norwich, NR14 8PQ

Auction House East Anglia 06/06/2019 14:00 Holiday Inn (Wolsey Room), London Road, Ipswich, IP2 0UA

Auction House East Anglia 07/06/2019 12:00 Knights Hill Hotel, Knights Hill Village, Grimston Road, Kings Lynn, PE30 3HQ

William H. Brown (Norwich) 11/06/2019 11:30 Barnham Broom Hotel & Country Club, Honingham Road, Norwich, NR9 4DD

Clarke & Simpson 12/06/2019 12:00 Seckford Hall Hotel, Seckford Hall Road, Great Bealings, Woodbridge, IP13 6NU

Cheffins 19/06/2019 14:00 Clifton House, 1-2 Clifton Road, Cambridge, CB1 7EA

Brown & Co 20/06/2019 11:00 Assembly House, Theatre Street, Norwich, NR2 1RQ

TW Gaze 20/06/2019 Diss Auction Rooms, Roydon Road, Diss, IP22 4LN

East Midlands

Shonki Brothers (Granby Street) 12/06/2019 17:00 Leicester Race Course, Oadby, Leicester, LE2 4AL

Auction Estates 18/06/2019 14:30 Nottingham Racecourse, Colwick Road, Nottingham, NG2 4BE

Auction House Lincolnshire North Notts & South Yorks 18/06/2019 18:30 Gainsborough Golf Club, The Belt Road, Gainsborough, DN21 1PZ

Yorkshire and The Humber

Yorkshire Property Auction - IAM Sold 19/06/2019 19:00 Cedar Court Hotel, Denby Dale Road, Wakefield

Pugh & Company 06/06/2019 12:00 Leeds United Football Club, Elland Road, Leeds, LS11 0ES

Bramleys 06/06/2019 19:00 John Smiths Stadium, Stadium Way, Huddersfield, HD1 6PG

Regional Property Auctioneers 19/06/2019 14:00 Doncaster Rovers F.C, Keepmoat Stadium, Doncaster, DN4 5JW

Leonards 19/06/2019 Village Urban Resort, Henry Boot way, Priory park, HU4 7DY

Boultons Harrisons Ltd 27/06/2019 19:00 John Smiths Stadium, Stadium Way, Huddersfield, HD1 6PG

London

Harman Healy 06/06/2019 12:00 Kensington Town Hall, 195 Hornton Street, London, W8 7NX

Network Auctions 06/06/2019 14:00 The Westbury Hotel, 37 Conduit Street, London, W1S 2YF

BidX1 06/06/2019 Online, Auction

Auction House London 20/06/2019 12:00 London Marriott Hotel, Regents Park, 128 King Henrys Road, London, NW3 3ST

Barnard Marcus 25/06/2019 Grand Connaught Rooms, Great Queen Street, London, WC2B 5DA

South West

Hollis Morgan 05/06/2019 19:00 All Saints Church, Pembroke Road, Clifton, Bristol, BS8 2HY

Symonds & Sampson LLP 06/06/2019 14:00 The Guildhall, West Street, Axminster, EX13 5NX

Clive Emson West Country 13/06/2019 11:00 St. Mellion International Resort, St. Mellion, Saltash, PL12 6SD

Symonds & Sampson LLP 14/06/2019 14:00 Allendale Community Centre, Hanham Road, Wimborne, BH21 1AS

Strakers,20/06/2019 19:00 The National Self Build & Renovation Centre, Lydiard Fields, Swindon, SN5 8UB

Town & Country Property Auctions Dorset & Hampshire 24/06/2019 18:30 The Village Hotel, Deansleigh Road, Bournemouth, BH7 7DZ

Stephen & Co 26/06/2019 19:00 Commodore Hotel, 1-2 Beach Road, Weston-super-Mare, BS22 9UZ

Countrywide Exeter 27/06/2019 Sandy Park Stadium, Sandy Park Way, Exeter, EX2 7NN

Auction House Devon & Cornwall 28/06/2019 14:00 Exeter Golf & Country Club Ltd, Topsham Road, Exeter, EX2 7AE

Northern Ireland

BRG Gibson 11/06/2019 19:30 Stormont Hotel, 587 Upper Newtownards Road, Belfast, BT4 3LP

Wilsons (Northern Ireland) 27/06/2019 19:30 Mallusk Auction Complex, 22, Mallusk Road, Newtownabbey, BT36 4PP

Scotland

Town & Country Property Auctions Scotland 19/06/2019 13:15 House for an Art Lover, 10 Dumbreck Road, Glasgow, G41 5BW

Auction House Scotland 27/06/2019 14:00 Radisson Red Glasgow, Finnieston Quay, 25 Tunnel Street, Glasgow, G3 8HL

North West Home Counties

Thompson Wilson Estate Agents and Auctioneers 05/06/2019 12:00 The Old Town Hall, Queen Victoria Road, High Wycombe, HP11 1BA

Auction House Robinson & Hall 18/06/2019 14:30 Hilton Hotel, Timbold Drive, Kents Hill, Milton Keynes, Buckinghamshire, MK7 6HL

Auction House Robinson & Hall 19/06/2019 14:30 Venue 360, 20 Gipsy Lane, Luton, LU1 3JH

West Midlands

Butters John Bee 03/06/2019 18:30 The Best Western, Moat House Hotel, Festival Way, Stoke-on-Trent, ST1 5BQ

Bagshaws Uttoxeter 05/06/2019 Uttoxeter Racecourse, Wood Lane, Uttoxeter, ST14 8BD

Auction House Staffordshire 06/06/2019 19:00 Stoke City Football Club, The Britannia Stadium, Stanley Matthews Way, Stoke-on-Trent, ST4 4EG

John Earle & Son 11/06/2019 Henley Golf & Country Club, Birmingham Road, Henley-in-Arden, B95 5QA

Auction House Birmingham & Black Country 13/06/2019 18:00 Walsall Football Club, Bescot Crescent, Walsall, WS1 4SA

South-East Home Counties

Clive Emson Essex, North & East London 10/06/2019 11:00 The Chelmsford City Racecourse, Moulsham Hall Lane, Great Leighs, Chelmsford, CM3 1QP

Clive Emson Sussex & Surrey 11/06/2019 11:00 Hilton Brighton Metropole, 106-121 Kings Road, Brighton, BN1 2FU

Clive Emson Kent & South East London 12/06/2019 11:00 Clive Emson Conference Centre, Kent County Show Ground, Maidstone, ME14 3JF

Clive Emson Hampshire & Isle of Wight 14/06/2019 11:00 Solent Hotel, Rookery Avenue, Fareham, PO15 7AJ

Auction House Essex 18/06/2019 19:00 The Ballroom, Park Inn Palace Hotel, Church Road, Southend-on-Sea, SS1 2AL

Fox & Sons (Southampton) 20/06/2019 Macdonald Botley Park Hotel, Winchester Road, Botley, Southampton, SO32 2UA

Town & Country Property Auctions South East 21/06/2019 12:15 Holiday-Inn London-Gatwick Airport, Povey Cross Road, Horley, RH6 0BA

North East

Auction House North East 11/06/2019 19:00 Ramside Hall Hotel, Carrville, Durham, DH1 1TD

Pattinson Property Auctions 26/06/2019 Newcastle Falcons Rugby Football Club, Brunton Road, Newcastle upon Tyne, NE13 8AF

Agents Property Auction 27/06/2019 Newcastle Marriott Hotel, High Gosforth Park, Newcastle upon Tyne, NE3 5HN

North West

Pugh & Company 04/06/2019 12:00 AJ Bell Stadium, 1 Stadium Way, Manchester, M30 7EY

SDL Auctions Cheshire & North Wales 05/06/2019 11:30 Chester Race Course, Watergate Square, Chester, CH1 2LY

SDL Auctions North West 05/06/2019 18:30 AJ Bell Stadium, 1 Stadium Way, Manchester, M30 7EY

Richard Turner & Son 05/06/2019 19:00 Black Bull Inn, Old Langho Road, Old Langho, Blackburn, BB6 8AW

Auction House Cumbria 06/06/2019 12:00 Carlisle Racecourse, Durdar Road, Carlisle, CA2 4TS

Meller Braggins 06/06/2019 15:00 Angel Hotel, 96 King Street, Knutsford, WA16 6HQ

Auction House Cumbria 06/06/2019 18:30 Coronation Hall, County Square, Ulverston, LA12 7LZ

Edward Mellor Auctions 10/06/2019 13:00 The Sheridan Suite, 371 Oldham Road, Manchester, M40 8RR

North West Property Auction - IAM Sold 20/06/2019 19:00 Village Urban Resort, Rochdale Road, Bury, BL9 7BQ

Town & Country Property Auctions Wrexham 27/06/2019 18:30 Grosvenor Pulford Hotel & Spa, Wrexham Road, Pulford, CH4 9DG

Wales

Clee Tompkinson Francis 05/06/2019 Hotel Mercure, Phoenix Way, Enterprise Park, Swansea, SA7 9EG

All Wales Auction - South Wales Auction 12/06/2019 The Village Hotel & Leisure Club, 29, Pendwyallt Road, Cardiff, CF14 7EF

Dawsons 12/06/2019 Swansea Marriott Hotel, Maritime Quarter, Swansea, SA1 3SS

All Wales Auction - North Wales Auction 13/06/2019 16:00 M-S Parc, Parc Gwyddoniaeth Menai, Gaerwen, LL60 6AG

Paul Fosh Auctions 13/06/2019 17:00 The Cardiff North Hotel, Circle Way East, Llanedeyrn, Cardiff, CF23 9XF

Morgan Evans 20/06/2019 The Bull Hotel, Bulkely Square, Llangefni, LL77 7LR

YPN EXTRA+

FAST TRACK KNOWLEDGE TO PROPERTY SUCCESS!

If you aren't aware of YPN Extra, it's Your Property Network's inner circle VIP product for people who want to take their property knowledge to the next level.

What you get ...

Up-to-date information

Weekly live webinars, ***exclusively*** for YPN Extra members, with people operating and profiting from property strategies in today's market. People who are prepared to share some of their secrets of success – including things like the due diligence they do, deal analysis and cost control on refurbs.

Community

You will have access to a private Facebook group, where you can:

- Get access to a panel of experts to help you move forward with your investing
- Question webinar guests – directly!
- Have input during the webinar planning stage to make sure your questions are answered
- Listen to recordings of previous webinars at your leisure – and still get to ask questions

YPN Extra is about being part of a new community that solves the problem of not having an expert or a mentor to hand, it's about being part of the extended YPN family, an elite selection of people who are serious about taking their property investing to the next level.

Extra insights, no bullsh*t

YPN Extra is different to any other type of property education product. We look at strategies IN DETAIL and ask no-bullsh*t questions that elicit candid answers.

On many webinars we have attended, chances are low your question will be answered as it gets swamped by questions from hundreds of other listeners. We want to change that. That's why we've limited to the group to **100** people.

Why have just one mentor when you can have a team?

YPN Extra webinars are **LIVE** every Tuesday night, 8 - 9.30pm.

Invest in yourself. Invest in EXTRA at
www.yourpropertynetwork.co.uk/extra

COMING UP IN JUNE

Extra webinars are **LIVE** every Tuesday at 8pm.

In the coming month, among other things, we'll be getting insights into the realities of **switching to a new build strategy**, looking into **maximising tenant wellbeing without sacrificing profits** on student lets and the **technical detail of turning a 3-bed house into a 5-bed HMO.***

* Webinar topics are subject to change.

Remember, with YPN Extra, **YOU** get to ask questions too. If you want direct access to operators and experts, sign up for YPN Extra and post your question(s) in the YPN Extra private Facebook group.

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