

THE BOOMING HOLIDAY TREND

AN INTRODUCTION TO HOLIDAY LETS FROM YPN MAGAZINE
& THE INSIGHT GROUP

CASE STUDY

Building a
Holiday Lets
business in
Whitby....



CASE STUDY

£25,000 profit
per annum
from just ONE
holiday let!

THE BOOMING HOLIDAY TREND...
MULTI-GENERATIONAL HOLIDAYS ARE ON THE RISE!



WELCOME!

Holiday lets present one of the biggest opportunities for investing in property in the UK today.

Never has there been such a great time to get into this strategy. It's lucrative, it can be a fairly hands-off way of investing if you set it up properly, and on top of that, it's a chance to create a fantastic property product.

It's not without challenge and risk though, and it's essential to approach it as operating a business in the tourism industry. This sector has been something of a shifting landscape after being badly hit by the pandemic. The upside, however, is that holidaymakers are showing a renewed interest in the UK, which is likely to go well beyond the immediate aftermath of the lockdowns. Holiday let operators and booking agencies are already reporting bookings months ahead, with signs that this enthusiasm for holidaying in our own country will continue for some time to come – and that's before we even begin to welcome international visitors back to our shores.

Our writers have had a fantastic time talking to holiday let owners and operators to bring you information about the ins and outs of working this strategy. Investing in holiday lets is a rewarding strategy in every way and we hope you find plenty to inspire you within these pages!

With best wishes for your holiday let investing,

Jayne Owen

Head of Content, YPN

COMING UP ...

- **Holiday Lets: YPN Says**
- **The booming holiday trend - Multi-generational holidays are on the rise**
- **From horse-riding to holiday lets: Building a portfolio in Whitby, with **Cara Shardlow****
- **£25,000 profit per annum from just ONE holiday let! with **Aran Curry****



HOLIDAY LETS:

YPN Says!

Holiday lets are an exciting property investment strategy, particularly attractive to investors who like providing a service for and interacting with other people.

It is evident from the contributors to this feature that running a holiday let is a business, even if you only have one property. It is a business for which you need systems, processes and, when you go beyond one or two units, employed or contracted staff support to help with operations.

It is also a model which has changed enormously over recent years. The cost of working with traditional holiday agencies has always been high, and the advent of OTAs has shifted the landscape to the point where many investors who operate holiday lets now shun the expensive agencies in favour of managing their own marketing, which involves using channel managers. These, as Phil points out, bring their own challenges.

Your location might naturally lend itself to this strategy, but even if you don't live in a popular tourist area, Tina and Nick both prove that it is possible to run holiday lets from a distance.

Holiday letting is definitely not a let-and-forget strategy but it is one that is enormously rewarding. When done well, good feedback from guests makes the hard work worthwhile, and the financial return can far outstrip that from a BTL.

The Other Half and I have run holiday lets in the past and living close to the coast as we now do, we can't wait to get back in the game!

Jayne

Working with Cara to prepare the article for this feature has been a bit like a walk down memory lane, bringing to mind all the challenges that I had to overcome during my own first year of operating in the tourism sector. Despite the ups and downs, it was well worth taking the extra time and trouble to find solutions that made the business run more smoothly and benefitted over the longer term.

Below are a few tips that I have collated from my own experience, from talking to Cara and also to others in the sector ...

Find the right channel manager

This is such a common issue in the hospitality world, and I must admit, it is one that I have had to deal with myself. It took me three attempts to find my system so I have a lot of empathy for Cara's experience. I know exactly what she must have gone through.

Changing channel managers is not to be taken lightly. Besides having to learn exactly how the new system operates, you also need to transfer all existing bookings over to the new one. This may or may not include changing your payment gateway systems and possibly transferring guest payments. To further add to the complications, any direct bookings will also be tricky to transfer over to any new system and often have to be remade manually. It is all so time consuming and frustrating and it can feel like you're moving backwards rather than improving your business.

It really pays to do as much research as you can before changing or implementing a system. Speak to other hosts who use it. Get personal recommendations on what systems people are using. Make a list of the top three or four that interest you and see them in action. Most will provide free demos of what they offer but often it is not until you attempt to use them yourself that you find the cracks.

Finally, get it done early.

Systemise early on

Systemise your business on your first or second property, don't wait to do it. If you do have problems, it's so easy to change systems with only one or two properties in play rather than a large portfolio. This just increases the chances of making a costly mistake. The big classic one to avoid is double bookings!

Aim for direct bookings

Getting all this right early on will help you with marketing, and particularly finding direct bookings as your property matures. Direct bookings are fantastic because you save on OTA fees.

All in all, whether you call it a property investing strategy or tourism, it's a great business to be in!

Phil

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THE BOOMING HOLIDAY TREND...

MULTI-GENERATIONAL HOLIDAYS ARE ON THE RISE!

Aran Curry The Insight group

In 2019, Thomas Cook conducted a holiday survey. Here's what they found... The number of families going away together, or considering it in the future, has risen from 57% in 2017 to 65% in 2019. What do you think that number will have risen to in 2020 with the coronavirus crisis?

Tui's passenger survey in June 2019 suggests that 79% of young adults are choosing to holiday with their Mum and Dad.

Virgin carried out a survey of 1,000 parents and 1,000 grandparents in 2019. This shows that 70% of families have taken multi-generational holidays. The Virgin survey shows that 40% of grandparents admit that

they enjoy the break far more with their kids and grandkids than if they went on their own.

79% of those aged
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multigenerational
holiday

The holiday group First Choice also researched into multi-generational holidays in 2019. They found that 79% of those aged 20 to 30 are opting to take a multigenerational holiday. Why? Saving money (23%), being able to afford multiple holidays a year (18%), and being able to enjoy a more luxury getaway (24%).

Plus... 75% of parents are happy to contribute part, or all, of their children's holiday costs. First Choice uncovered something else you might find shocking... 20% of respondents said they prefer to take a break with their parents than their friends!

Finally, a Travelzoo survey revealed that 40% of multi-generational holidays are organized and paid for by the grandparents.

So... The booming property trend is multi-generational holidays!



Lockdown has kept families apart for months! ... which makes them want to spend time together that much more.

The booming holiday trend leads us onto the income sweet spot...

You see when I say Holiday Let to my friends, they immediately think of a 2-bed chalet by the sea. That's a crowded market that misses this booming holiday trend! Why? Because a multi-generational family cannot all stay in a 2-bed chalet. Yes, they could rent several chalet's and it's a challenge to eat together. If it rains (like it frequently does in the UK) then they can't all be together during the day. So... Two-bed chalets are not what people are looking for. The income sweet-spot is sleeps 16+

LET ME EXPLAIN...

With short term rentals, both Serviced Accommodation and Holiday Let, you need to think about "heads in beds". That's the mantra that brings in the cash. Don't think about the number



of bedrooms. Focus on the number of people that can sleep there. The difference between bedrooms and the number of people that can sleep there will become clear in a moment.

With short term rentals, the cash flow increases proportionally with the number of "heads in beds" until you hit 16. That's the magic number. Once your property sleeps 16+ the income and cash flow increase exponentially.

WHY?

Because there are so few properties like this.

So... This is the low-competition, high-demand opportunity that is fueled by a booming holiday trend.

WHY SHOULD YOU CARE?

Because my dream house (which is not the perfect house for this model) puts £30,000 a year in my pocket. And... it does that with me answering 1 or 2 What's App messages a week. That's all! Today, I live two and a half hours away from this house. So, I literally can't do the work to run this luxury holiday let.



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FROM HORSE-RIDING TO HOLIDAY LETS: BUILDING A PORTFOLIO IN WHITBY

Written by Phil Saunders

Cara Shardlow has quickly grown a holiday letting business from one to eight properties in just one year. Living near the picturesque village of Whitby, she drifted into the industry almost by accident before creating her successful portfolio of holiday lettings.

When Cara left school at 16, horses became her life. She spent time learning to become a coach before qualifying with a HND in equine and business; skills which would become very useful in her future life. After her studies, Cara returned to her family farm where she set up a successful coaching and livery business. She went on to further her riding experience, eventually representing Great Britain in Dressage on a global stage.

However, the first of many challenges was on the horizon. After going through a divorce, Cara then suffered a major injury in a riding accident. This prevented her from doing any coaching and made it difficult to operate her equine business. Being self-employed, this left her with a large gap in her finances. She had to drastically economise in order to make ends meet and eventually had to downsize her property. She tried many ways to find a way to pay the bills, even briefly selling ice creams in Scarborough. But then a chance conversation with a client planted a seed.

"So I knew obviously it's a very touristy area, Whitby. It's very, very popular, and I had spoken to a client of mine at the time. She was raving about how much she was earning from this little one- bedroom cottage, and I thought, 'Well, I'll give it a go.' It's fairly



remote — we're five miles out of Whitby, so I didn't know if it would do well. But, yeah, it did!"

Her first property was created from one of their old dairy buildings on the farm, and she took a loan against her Dad's farmhouse to pay for the renovations. The original plan was to live in the property herself, but as so often in life, plans change, and this ended up being Cara's first holiday let.

“Work on The Barn was already complete, and the quirky building was brimming with character. It booked out very well. *"I couldn't believe how well it did."*”

Her early success showed what could be achieved, and Cara decided it was time to learn more about the property world. She

invested some of her hard-earned profit into property education and subscribed on a course run by Stephen Green. After completing the course, she quickly added a second property to the holiday let portfolio. This time it was her own house!

Chestnut Cottage was in a great location and had been well furnished already. She began by renting it out to holidaymakers at the weekend. With two properties running, Cara was able to start saving up a deposit for a third addition to her growing portfolio. At this point, she was the only person in the business — even doing all the cleaning and the linen herself! However, this kept her operating costs very low and allowed her to put more money aside for the next venture.

Soon, she had enough to start looking for her third property and that's when she came across East Cliff View. This property was already being run as a holiday let, but the figures given to her by the estate agent were not promising. The landlord was clearly a tired vendor. The property needed a new breath of life and Cara knew she could do better. It had actually been owned by a famous actor who was clearly not interested to work on the property, and it was being managed by one of the larger holiday letting agencies. It needed a new look and energy which Cara could bring.

"I just knew I could do better. I saw the property and I just thought, I can really make a difference here."

Cara classes East Cliff View as her first real investment property. She used some of her funds to make the necessary improvements before investing in even more training. Cara knew she needed to learn more to move forward so she signed up with Progressive on one of their courses. It was big risk for her in the early stages of her journey.

Case Study THE BARN

After speaking to a horse-riding client of hers who was already doing holiday lets, Cara decided to give it a try. It turned out that she was living in the perfect property for this. The Barn was an old dairy building on the family farm, that she had converted to live in herself. She raised finance for the project by taking out a loan against her Dad's house on the farm, which paid for all the conversion works. Cara initially moved back into her parents' house whilst she was running the property. The Barn has so much history and character but even so, Cara was amazed how well the small property ran. It gave her the confidence to invest in more properties in the area and grow her portfolio.

Location	5 miles outside Whitby in the country.
Type of property	1 bed barn conversion
Purchase price	Cost of conversion £45,000
Purchase costs	£2,000
Funding method	Loan against the farm house
Amount of funding	£45,000
Monthly mortgage/ funding payment	£300 per month
Total money in	Furniture £2,500
Personal money in	£2,500
Monthly income	£1,625
Monthly mortgage payment	£300
Monthly costs	£293 bills, cleaning, laundry etc
Net monthly cash flow	£1,032



Case Study

SYCAMORE COTTAGE

After investing in her property education with Progressive, Cara was determined to expand her portfolio and she realised she could do this by implementing some of the techniques she had been taught. She was drawn to the R2R strategy and began looking for her first deal. Again, her horse-riding contacts provided her with a great lead that ended up being her first rent-to-rent deal. The property needed a bit of a lift, but Cara knew that it would rent out well. She invested £5,000 of her own money to carry out the necessary refurbishment work. She was really excited to welcome her first guests who arrived only weeks before the second major lockdown of the Covid-crisis.



Location	5 miles from Whitby at Falling foss water fall visitor attraction
Type of property	2 bedroom barn conversion
Purchase price	R2SA Study on its first year - I took it on in Jan 2020 just before Covid hit so I can definitely do better than this as it was empty 8 months of the year
Monthly payments agreed	£625 rent with a 2 month rent free period to start, so £520 per month for the first year, inc electric and water
Deposit paid	£625
Amount of funding	£5k inc deposit
Total money in	£5k for a new bathroom and some furniture and deposit
Personal money in	£5,000
Monthly income	£1,383
Monthly mortgage payment	£520 for the first year and £625 from then on, 5 year agreement
Monthly costs	£184 inc cleaning etc. Electric and water inc in rental price
Net monthly cash flow	£679
% Return on money left in	162%

"I was on my knees financially, at this point. I'd sunk all my spare cash, any credit cards I'd got, all that money went into training at Progressive. I remember paying my money and thinking, 'Oh, my God.' I just literally felt like the blood had run out of my body as I paid this money ... I thought, 'Gosh, if this doesn't work, this is it.'"

But after investing in her knowledge, Cara discovered new strategies and different ways you can control and own property. This opened her eyes to a whole new world of possibility. One particular strategy that Cara was drawn to is rent-to-rent (R2R)

"I'd decided that at the beginning of that year I was going to have two more properties. I'd put that in my head. I didn't know how I was going to do it, but I was. I

didn't have the finances. So I managed to get East Cliff, and then I learnt about R2R and I thought, 'Right, that can be the way I'm going to get my next one.'"

After investing in her knowledge, Cara discovered new strategies and different ways you can control and own property.

After a lot of searching, and with some local knowledge, the right property came to her. Cara spent a lot of time building the rapport and trust of the landlords and her patience paid off when a deal was agreed on her first R2R. Again, it needed some

care and attention, and she began work on the redecoration and renovations at her own cost. Eventually the improvements came to nearly £5,000 but Cara had managed to get the property looking nice and fully operational.

Cara's finances were pretty stretched, so everything was hinging on this venture



Cara also managed to find a couple who needed a place to stay between house moves and some construction workers from a site nearly an hour away! A great result under the circumstances and enough to pay rent on all her properties through the worst of the crisis.

"I managed to get enough money in to pay my bills every month, which was fantastic."

Cara's proactive approach not only helped her to survive but has also paid off in the long term. She now attracts much more direct bookings and often gets longer stays from these clients. This has the added benefit of requiring less changeovers, so they are therefore more profitable. No expensive OTA fees either! Cara sees direct bookings from corporate as being a much larger part of her future business. She also credits Mark Simpson from Boostly who was fantastic in the first lockdown.

"He was brilliant, giving advice on how to get more direct bookings ... and it's helped now for moving forwards, not relying on the holiday bookings."

Then, finally on 4th July, the travel ban was lifted and suddenly bookings came flooding in. For the majority of UK holidaymakers, it was staycation or nothing. So the UK holiday market saw demand it hadn't seen for years. Like most operators, Cara was extremely busy over the summer and it was time to bring in some help. She hired three local girls to help with the cleaning and began to systemise the business in order to cope with the workload.

Hiring a cleaning staff was something that Cara initially struggled with. Whilst it can sometimes be difficult to take a step back, it was essential for Cara to be able to cope with the demand. In spite of the cleaners, Cara still went over to help when she could spare the time. It is important to make sure your cleaners are doing a good job for you, as they are the eyes and ears in

being a success. She'd taken the keys to the property on 1st January 2020 ... but there was a national crisis on the horizon, which could not have come at a worse time for her. In March 2020 we entered the first national lockdown for the coronavirus pandemic, and all hospitality businesses were forced to close to anyone but essential workers.

Cara was determined to succeed. Despite the difficulties, she carried on. *"I don't go back on my word at all. I sort of know of these people and the last thing I wanted was to have to hand the keys back to this place."*

But just how do you manage to pay the bills on a holiday letting business that's not allowed to take tourists? This was a major challenge for everyone in hospitality this year. The answer is to pivot strongly into new markets and drive your own direct bookings.

One thing that really frustrated a lot of hosts during the pandemic was the online travel agents' (OTAs) response to the crisis. Airbnb, for example, blocked all their calendars and refunded all the guests who had booked through their platform. Many hosts who were over-reliant on the OTAs for their bookings suddenly found they had a big problem.

Cara also suffered greatly from this, which forced her hand into more creative ways to drive her bookings. She worked incredibly hard to make things work and

pushed forwards to drive the sales of her empty properties. One thing she did to find bookings was to scour LinkedIn for as many companies working in her area that she could find. She contacted them all!

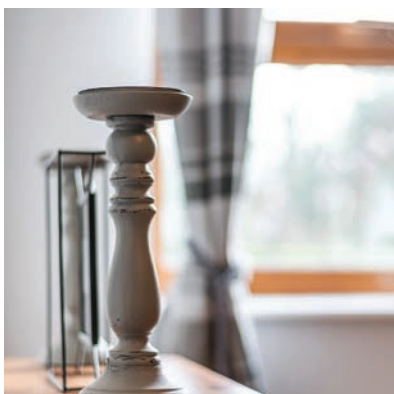
"For any bookings that did come into her properties, Cara was very proactive."

She contacted them to find out who they

were working for, if they knew anyone else who needed accommodation and whether they would be coming back. After a lot of hard work, she struck it gold. Hopefully, her newly discovered clients would too ...

"There's a new mine just starting up in the area, which is actually only about a mile from this property, and they were just bringing in a whole new, big workforce. Fortunately I'd worked so hard to get contacts, and I was ringing round all the different companies that were coming into the mine, and I managed to get some of the guys from there in for a good chunk of the lockdown. So I managed to pay my rent."





hospitality. Cara still ensures that, despite letting go of that side of the work, her standards remain exceptionally high. In this business the reviews you get from your customers are vital, so hiring the right cleaning team is a big step.

But systems presented probably the biggest challenge for Cara. Most crucial for her was finding the right channel manager. Opinions are so divided on channel managers in the hospitality world, and everyone has their favourite. There are so many good companies around, but it is important to find the right channel manager for you and your business. It can be a tricky path to tread. Unfortunately, there was a lot of difficulty for Cara when it came to finding the right one. Particularly for somebody who openly admits that technology isn't their strong point.

"I hadn't even heard of the words 'channel manager.' I didn't even know what it was. So I thought you could just list it on Airbnb and that was all good, and then I entered a new world."

Cara eventually tried three different systems, all offering their own approaches to the same problems. However, each one she tried was failing her in one way or another. The first system she tried required lots of add-ons to do all the jobs she required. This needed an even higher understanding of systems and processes, and that just didn't work for her. The second company was a relatively new player to the market so the software itself wasn't fully functional, which created further frustrations. By the time Cara had decided to move to yet another system, she'd had enough of dealing with the problems and paid a lot of money for a top-of-the-line channel manager that came with a lot of promises and a hefty price tag. However, even this didn't work! It was only on her fourth attempt that Cara found a system she knows and likes. She understands that technology is a weak point for her but also that it is crucial to have in a business like this.

Things were going well but Cara recently suffered yet another major injury in another riding accident. Horse riding clearly isn't for the faint-hearted! However, in true fashion Cara puts a positive spin on this. It has given her the time to step back from the business a little and work on improving the operations and processes. She is now working with Iconic Training to help improve the systems so she can focus on the things she really enjoys: finding the properties in the first place and of course, making them look amazing! She is getting set up with Trello, Slack and Pricelabs. She's also started finding virtual assistants to help run the operations side of the business. In addition to all this, she has learned an enormous amount from investor friend Christian Hartley, who runs high end HMOs in

Scarborough, after labouring on his projects and helping him run the properties.

Cara has gone from strength to strength and is now taking on properties to manage for other people. Briefly, she had five properties under the management side of the business, but Cara is now managing three for her clients. She found these managed properties through some old horse clients which has been a great network for her to be able to tap into. However, as she would learn, managing other people's properties is not without its own complications.

There is a lot of old stock in Whitby, but it can still be a very competitive market. To get consistently high reviews and high prices, you need good

quality stock across the board. Taking on someone else's tired holiday let on a management contract can earn you some much needed extra cash, but bad reviews will also reflect badly on your own OTA profile. Ultimately this will impact your own units. This is a lesson Cara admits she learnt the hard way and is why she had

to let some of those managed units go. She is now much more selective on what properties she takes on and who she works with.

What does the future hold for Cara? Well, initially she is having a bit of a breather ... and who can blame her! It has been a very difficult year so far. Ultimately, she wants to grow her own property portfolio, but admits there is some extra profit to be made on the management side in the meantime. She would love to own a guesthouse as part of her portfolio and is excited about looking into that. She is also exploring alternative revenue streams down on the farm, such as creating a wellness retreat and luxury glamping site, which will give people the sense of peace and wilderness that she enjoys so much. She is potentially exploring the option of a pop-up glamping site this year, by making the most of the recent increase in days you can do this without requiring planning permission (now 56).

Cara is still incredibly passionate about horse riding, and eventually wants to spend a large part of her free time doing what she loves and letting the business work for her. Once healed, you can guarantee she'll be back on that horse training hard for future competitions, reaping the rewards of her hard work and success.

"I hadn't even heard of the words 'channel manager.' I didn't even know what it was."

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£25,000 PROFIT PER ANNUM FROM JUST ONE HOLIDAY LET!

By **Aran Curry**

In this article, Aran Curry describes how he turned what had become a troublesome, high-maintenance HMO into a successful and lucrative holiday let. Along the way, he has refined his systems to ensure that the property runs with the minimum of input from him, and he shares some of his secrets to creating the ultimate low-maintenance investment with us here. Over to Aran ...

In 2012, I found a run-down B&B for sale in Scarborough. The owners at the time were three sisters who lived in Leeds, 70 miles away. Although it was originally classed as a B&B, they had in fact turned it into an illegal HMO. There were eight tenants aged between 40 and 60 living in this dilapidated property, all of whom were single men who had fallen on hard times. It was managed by a fierce woman who lived there for free. The owners had run it like this for about 12 years.

When I found it, it didn't meet any of the HMO regulations. It didn't have a licence; the rooms were too small; the sound insulation would have failed a simple test; the electrics hadn't been looked at for 15 years; and the boiler didn't work properly. In fact, I've never seen a central heating system like that.

“ The house was a complete mess and the purchase process matched the chaos of the house. ”

As it had attracted so little interest on the market, the sisters were selling it by closed bids in attempt to obtain the best possible price. This system, whereby you send in your offer figure and the highest bidder wins, leaves no room for negotiation; you have no way of knowing if your bid is too high or too low. Our bid was £131,101, the maximum we were prepared to pay.

We got it because we bid £101 more than anyone else!

Because the house was so rundown, we bought it with delayed completion. This gave us control of the property for three months after exchanging, before we had to pay for it. It meant we had time to carry out the refurbishment before completing with mortgage finance.

An exchange with delayed completion agreement gave us a way to buy this property with virtually no money ... but the problem was that after three months we would have to complete, no matter what. If we couldn't complete the refurb and get a mortgage within that three-month period, we would lose the house ... and the £30,000 we planned to spend on the refurb.

The timeline was tight but we made it work by the skin of our teeth.

The £30,000 refurb was done using funds borrowed from someone else, and we succeeded in getting a



mortgage of £180,000 on the newly refurbished property, which meant we could pay back the loan to our JV partner.

This was how we set up an 11-bed, legal HMO with none of our own money.

Back then, tenants could stay on a licence rather than a tenancy agreement. As long as you provided breakfast, which was just cornflakes and milk, you could say you were a B&B. Legally, therefore, we had guests and not tenants. It gave us a bit of a safety net, because

ultimately you can kick guests out of a property, which you can't do to tenants.

However, even with that safety net in place, it was a lot of hassle. With 11 guys in the property, someone was always kicking off. One of the tenants was always falling out with somebody else. My JV partner on this property was managing it, but after three years of hassle, he had had enough. He was ready to walk away from the deal.

CASE STUDY SUMMARY

Purchase price via 3-month EDC (2012):	£131,101
Upgrade property to legal HMO in B&B format (using JV funds):	£30,000
Mortgage following valuation of upgraded property:	£180,000
Convert and upgrade property to holiday let standard 3 years later (JV funds):	£50,000
Revaluation:	£300,000
JV funds paid back following remortgage.	
Net revenue from holiday let, per annum:	£25,000

HOLIDAY LETS

By this point, I had discovered holiday lets and knew they were a low-risk, high-profit and zero-time investment strategy. I also knew, from previous positive experience with another property that I had been holiday letting, that this one would work really well for this strategy.

To cut a long story short, I bought my JV partner out of the deal with funds from a second JV partner, who then lent me £50,000 to turn this HMO into a holiday let.

This increased the value of the property to £300,000, which enabled me to get a mortgage based on the new value and pay back the second JV partner.

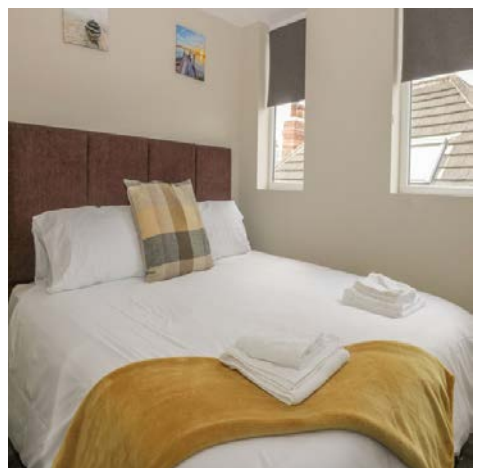
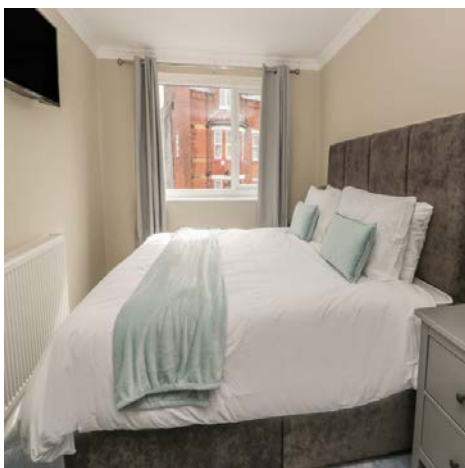
Once the house was set up as a holiday let, I got other people to manage it for me. Now, it puts £25,000 in my pocket every year and only takes up five minutes a week of my time.

THE 5-STEP SYSTEM

Putting it as simply as possible, the 5-step system I use is:

1. Find the right house
2. Furnish it
3. Let someone else manage it
4. Enjoy your life
5. Repeat

The last two steps are optional! I've just put them in to emphasise the point that **this is an investment strategy**. When you set it up correctly, you can sit back and enjoy your life.



To achieve this, however, you need a team of four ...

1 The specialist booking company

First on the list and most important is a company that will get bookings for you. This is where the money comes from and the engine that makes everything else possible. Without a powerful engine, this cash machine grinds to a halt ... fast!

A specialist agent has the experience and the system to inspire trust. Their system is so accurate that they can give you a very good estimate for how many weeks a year they will rent your property, and the amount it will rent out for at different times of the year.

With the company that I use, the system is accurate to within £1,000 a year. And that is what makes this system low risk – you know what it will rent for before you even buy any furniture.

But why should you believe the figures given by the company that is going to rent your house? Isn't it



in their interest to over-promise and under-deliver? That's exactly what I thought when I started with holiday lets. My first holiday let was in fact my dream home and I was terrified that I would lose money. What settled my nerves was learning that the BANKS use this company's projections to value a property.

Banks value a buy-to-let property on the bricks and mortar value. They can value HMOs on the commercial value, and they value holiday let properties on the commercial value.

Commercial property is valued on a multiple of the income. So to give you a property value, they need to know the income. The system and experience of the specialist holiday let agency that I use is so good that the banks accept their income valuation. I figured that if the most conservative organisations in the world (banks) trust this company, then so could I. And I'm very glad I did, because the results over the past five years have exceeded my wildest expectations.

2 The cleaner

The second thing you need is a cleaner. But when I say a cleaner, what I really mean is a cleaning team.

For a property this big, you need a team of four to turn it around fast. Guests leave on Friday at 10am, and the next guests will be checking in at 3pm that afternoon. You only have a few hours to clean and turn around an 8-bed house. That's way too much work for one person to do on their own. That's why you need a cleaning

company.

I would strongly advise using a local company instead of a national chain – you'll save yourself a fortune.

It's worth asking a cleaning company the following three questions before signing them up though ...

Question #1 – What are their values?

You want to be sure that they have the same values as you.

When you work with other people, something will always go wrong. Most people forget this. They get into a relationship with somebody and expect it to be perfect. But in life, things always go wrong. Usually unexpected things or things you haven't even thought about.

If you've got the same values, you can fix the problem together. You might be able to solve the problem in different ways but the bottom line is that you find a solution. The last thing you want is someone who has an unexpected problem and does nothing or tries to hide it from you.

Make sure that the person or company you are going to work with shares your values. Make sure they are as determined as you to solve problems as they arise.

Question #2 – Do they specialise in holiday lets?

You might think that cleaning is cleaning. But this is a different standard of cleaning than in your





family home, particularly in light of Covid-19. There also needs to be more responsibility for when things are broken or damaged in the property.

If you find a company that specialises in holiday lets, you won't need to spell out every little detail of their role and responsibilities. You can simply ask them about their systems.

Question #3 – Do they go the extra mile?

The only way you'll know whether they do is to ask for testimonials and to speak to their other customers.

With a holiday let, there are always small maintenance issues to deal with, such as a broken wine glass. You need to make it the cleaner's responsibility to deal with these issues.

I give my cleaners a sign-off limit of £150. Anything above that level and I ask them to send me a What's App message. Anything below that level, I trust them to sort it. As this property has an annual income of £90,000, I don't need to sweat the small stuff.

3 The maintenance person / handyman

You will need someone who can fix the boiler or repair a damaged door.

The cleaner and maintenance person need to work together. If the cleaner discovers there's a broken kitchen unit door, he/she will call the maintenance person.



My maintenance person has a sign-off limit of £300. If the repair bill is over £300 then I get a What's App message. If not, the job gets done professionally without my involvement.

Can you see why I get so few messages from my team? Each member of the team knows their roles and responsibilities. They know who to call or contact when something needs fixing. They know their sign-off limit. I only get a call when a problem is complex or expensive. Beyond that, the team solve all problems themselves.

4 The PA

There's one more person that you need to run a holiday let smoothly – I call this person the PA.

The PA deals with all customer communication. They will call the guest two weeks before their stay, send a template email a week before the guest's stay and send a template text message the day before.

The PA also takes calls from guests at 9pm when they can't find the key box to get in the property or they don't know how to turn on the heating.

The PA role is a critical one because they have to be a caring person. After all, their role is all about making the customer's experience better.

If there is a problem at the property, the customer calls the PA, who then calls the maintenance person. Again, the PA only calls me if there is a problem that needs my attention.

The final thing the PA does is to ask the guest for a review after their stay. Reviews are critical for any online purchase these days. Especially when 16 people are going to all stay in one place, sometimes flying in from all over the world, they need to know that the house is as good as it looks in the pictures.

Thanks to the efforts of my PA in following up with guests after their stay, I've had some fantastic reviews. For example (and these are just snippets of longer review comments):

"Absolutely superb. [...] A great place for a family celebration."

"The house and its location were ideal for our needs, a family get together including three generations, to celebrate our Golden Wedding."

IN SUMMARY ...

These are the four teams that run your holiday let:

- 1 Specialist booking company**
- 2 Cleaning company**
- 3 Maintenance person / handyman**
- 4 PA**

With clear roles and responsibilities, communication channels for when something needs fixing, and sign off-limits, your input will not be necessary. Thanks to those things, I run my three holiday lets with only three What's App messages a week. In other words, the properties run themselves and put £25,000 to £30,000 per property ... in my pocket!

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- The letting agency that puts £110,000 in my pocket every year with only 4 houses!
- How to buy a staycation property with other peoples savings... and how to structure the deal so they thank you for the opportunity.

