ISSUE 157 JULY 2021

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Welcome to the July issue of YPN. At the time of writing, summer appears to be well and truly here … but who knows how long it will last.

I frequently find myself desperate to make the most of the nice weather, despite the fact that I don't really like it. I can't stand being too hot, I easily burn and I completely cease to function when it's warmer than 18°C. But I can't help notice that some suffer from this similar phenomena when it comes to investing.

People get distracted by the shiny penny, or are made to feel they need to make the most of the current market, which swings them off course for their original goal/reason why/overall strategy.

In this bumper feature on auctions, we spoke to people who, when the going got tough, refused to be swayed or distracted. Instead of ditching auctions altogether after the market closed down and lenders stopped lending, these investors continued to pursue their strategy, perhaps in a slightly different way than expected.

The auction industry adapted very quickly to the pandemic's adversity, and hopefully this feature will go some way to answering your auction questions.

In addition, we have our usual panel of contributors. **Martin Rapley** shares his en-suite tips and tricks, **Steve Fay** explains how Payments on Account work and **Rupal Patel** reminds us to be proactive in our careers.

Whatever the temperature in the weather or in the market, be sure that you do what's right for you.

Stay safe and happy investing,

Angharad

STOP PRESS!

A huge welcome to the latest member of the YPN clan – **Joshua Ace Moment Duckworth**, born 17th May 2021 at 00:15. Massive congratulations to our senior writer Heidi and her partner Simon (you can read his article on page 36), and we wish the family all the very best for the future!

In this issue …

FEATURES

LANDLORDS AND INVESTING

LIFESTYLE AND INSPIRATION

SPECIALIST COMMENT

Introducing THE YPN TEAM

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AUCTIONS
THE POST-COVID LANDSCAPE

Interview and words: **Angharad Owen**

To begin our bumper feature on auctions, we spoke to David Sandeman from the Essential Information Group (EIG). In this article, we'll discuss how the world of property auctions has changed for auctioneers, buyers and sellers, and how the industry has adapted over the pandemic.

Prior to the pandemic, online auctions were considered a novelty. The industry was hesitant to change, despite EIG hosting their first online auction in April 2014 for Countrywide with great success. However, when the coronavirus warnings began in Wuhan, David and his colleagues started planning what to do just in case the UK locked down too.

"We started making websites and widgets, so that if we did get that rush, we could serve [auctioneers] what they needed off the shelf," he explains. By February, auctioneers had started to show an interest in taking their events online, and by the first week of lockdown, EIG were working with 60 different auction houses to get them up and running online.

There are two types of online auctions. First, there's the live stream, which is when an auctioneer stands in front of a camera and the full auction is broadcast live over the internet. There is a delay of less than half a second, allowing bidders and watchers to act in real time. They can see and hear the auctioneer, as well as see what the current bid is and what the auctioneer is asking for. When a buyer is registered to bid, there are on-screen pop-ups enabling them to do so. If they are the current highest bidder, this facility is temporarily disabled so they can't bid against themselves. As well as the online viewers and bidders, there will also often be telephone bids as well as the auction house staff having proxy bids. In total, the auctioneer will have three sources of bids: internet, telephone and proxy.

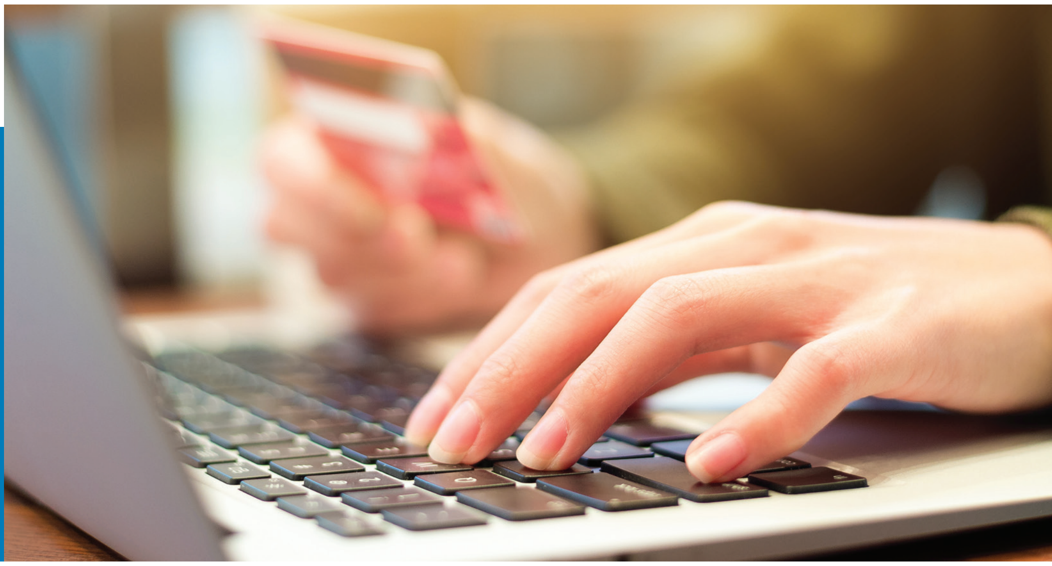
The second type of online auction is the eBay-style of auction, which means the whole process is purely online. There is no verbal interaction with human beings, but buyers still need to register to bid. The auction will begin at a certain time and is scheduled to end on a specific day and time. However, unlike eBay, if someone bids within the last 60 seconds, EIG's system will automatically extend the end time by a further 60 seconds and will continue to do so until there is 60 seconds of bidding silence. This has completely eliminated last-second bids, otherwise known as sniping.

David recently analysed 100,000 bids that been placed and discovered that 25% of those bids were placed after the scheduled end time, when the bidding continuation is activated. A further 25% were placed 98 seconds prior to the scheduled end time. Few people place bids early.

Two types of online auctions:

Live stream: An auctioneer controls the bidding. Bids are made online, by telephone and by proxy.

eBay style: A fully automated process with start and end time, usually over a few days. Online bidding only, with extended 60-second time periods when last second bids are placed.



FOR THE VENDORS ...

Several years ago, David conceded that the charges weren't as clear as they could have been when auctions went online. Whereas now, they are much more transparent. *"The major players go to great lengths to ensure that their vendor is made aware that the buyer, in addition to what they're going to pay for the property, is going to pay an auctioneer a fee,"* he adds. This buyer's premium goes to the auctioneer and the agent, which offsets the vendor not being charged a fee to sell.

This is common with the modern method of auction, when on the fall of the gavel there is no exchange of contracts but a conditional sale. This means that the buyer has purchased an option to exchange contracts within 20 working days of the date of the auction; for being granted that option to exchange, they pay a premium which is a percentage of the hammer price plus VAT. *"The success rate of getting those across the line is very high,"* David says. Percentage-wise, *"it's in the very high 90s."*

Perhaps as a result of this high success rate, an increasing number of estate agents are using this method of auction to sell properties that have been on the market for an extended period of time. Of course, a reserve figure can be set, and if it doesn't sell then it's very easy to re-list the lot in an online environment. *"Sometimes it is a way of testing the market and we see the property might be recycled three or four times,"* he adds, *"sometimes for quite a lot less than the previous reserves were set."*

> Sometimes it is a way of testing the market and we see the property might be recycled three or four times

FOR THE AUCTION HOUSES ...

There are benefits to having online auctions for the auctioneers too. Not only do auction houses save on the cost of the venue, but also on the cost of producing the catalogues, which in turn has saved a lot of trees and CO2 emissions. Also, hosting online auctions has increased the number of events that can be held. Previously, auction houses would only hold a handful of events per year, but now they are monthly, bimonthly or even weekly in some cases. Having this newfound flexibility for all parties — the buyer, vendor and auctioneer — is transforming the industry, David says.

A great example is SDL, who used to hold six or seven auctions a year at each of their venues in the Midlands. Now, they have extended out to become a national auction, covering properties all over the country. They hold the event on the last Thursday of every month, which means that there are never more than 20 working days until the next one.

Auctioneers can also be less selective about the properties they list, and they are taking more chances on lots that may not have been as popular previously. While all auctioneers want a high selling rate, they may be more open to taking on properties where they let the market decide their worth.

Compared to 2019, David noticed that sales during 2020 were down about 20%. However, the first three months of 2021 have been on the up. *"I think people are wanting to get out and spend money,"* he adds.

FOR THE BUYERS ...

To bid at an auction, and even more so

now with things being online, buyers need to go through an online bidder registration process. However, David urges buyers not to leave it to the last minute, as most auctioneers will close registration the night before the sale. It's important to register to bid in plenty of time so they can be approved and have a chance to test the software.

Before Covid rendered remote business the norm, David said his experience of telephone bidding caused him to feel like a *"second-class citizen"* because he wasn't in the room. However, now that all bids are remote, it has levelled the playing field.

"Everyone has an equal chance," he says, *"and that's actually key, because it's come to fairness."*

There has also been a small but notable increase in business coming from overseas, and the number of people registering to bid at an auction has massively increased. In the room, bidders had to go through several checks to register, including providing a passport, so it was cumbersome and time-consuming on the day. When online, the registration process is much more streamlined as it can be done within an app. Some auctions are having 100% more people registering to bid, which in turn generates more actual bids.

Data can be collected about what people have bid on and what they were interested in, and this is being sent back to the auctioneers. As some auctions have the ability for people to register for specific properties, similar properties based on location and type can be sent to them afterwards if they didn't win the lot they were bidding on. "*It's a big communication piece here to make it more efficient for all concerned,"* he says.

GOING FORWARDS

Lockdown has been an eye-opener for the auction industry, especially with regards to simplicity, cost-savings, ease and accessibility. However the downside is that an auctioneer is rarely needed in an online environment, apart from on live streams. The vendors of those two types of auctions (live streams and eBay-style) tend to choose one or the other and stay with them. They're often happy with them and happy with the prices. *"I've spoken to a lot of auctioneers and the vast majority are saying they'll be staying online for good,"* David says. *"And it's not just about the cost-saving. They think they're delivering a better service."*

I've spoken to a lot of auctioneers and the vast majority are saying they'll be staying online for good

According to David, a few auctioneers he's working with are exploring how to create a hybrid system whereby the auction will be online, but guests, clients and buyers will be able to meet in a room to bid from their iPhone or iPad. This would allow auctions to continue with the party or meeting atmosphere that many people love, but leave the computer do the hard work.

ABOUT EIG

EIG was founded by David and his two colleagues in 1989 after finding the results of auctions difficult to come by. They started selling fax-based subscriptions, before diversifying into live telephone audio lines, online broadcasting and website hosting over the years. Their most recent development was an online platform similar to eBay, which has been evolving further over the past 18 months.

The EIG website is a source for investors and developers to find information about lots for sale, what happened at auction and the history of the lot. It's fully searchable by location, property type, price, yield (based on guide price) and much more. Auctioneers can benefit by having their catalogues curated online and more recently, even online auctions hosted on their behalf.

It's also the only place to find past auction results. David researched an upcoming major sale and 30% of the lot had been to auction at some stage in the past. So there is a one in three chance that an auction property has been to auction before. Also, 75% of all lots are in a street where at least one other property has been sold at auction in the past. David says: "*This data is helpful to give the history of the property, and what happens in the past is a really good indication as to what's going to happen in the future."*

There is also the ability to create alerts for properties coming to auction that match any and all criteria, both when it comes to auction and again if it didn't sell.

Find out more at **eigroup.co.uk**

Listen to the full conversation with David here.

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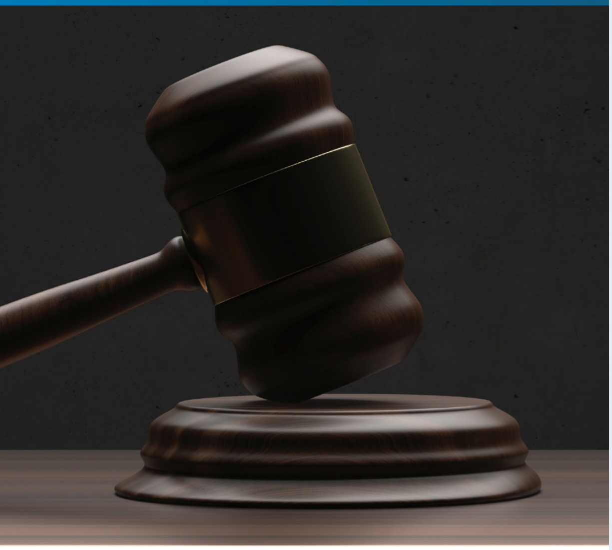
THE PROS AND CONS OF BUYING AT AUCTION

GRAHAM KINNEAR



The advantages of buying a property at auction are fairly obvious to those who have endured the sometimes protracted process of buying via private treaty. Depending on which report you read, it is generally accepted that around 20% of private treaty sales fall through during the conveyancing period leading to frustration and abortive costs for all concerned.

An auction purchase offers the buyer a chain-free transaction with a binding exchange of contracts once the gavel falls and therefore leaves the seller with no opportunity to change their mind or consider other offers. A further advantage is that the auction process demonstrates that the best price achievable has been obtained. Auction is therefore an ideal solution for properties being disposed of as part of litigation or a dispute.

With these obvious upsides, it is unsurprising that an auction disposal is considered standard practice for receivers, local authorities, property investment companies, family offices and many private individuals looking for a certain sale. Gone are the days where auction was used solely for the **"problem property."**

The reality is that the auction purchaser needs to be supremely prepared to bid, prior to the auction, as their actions on the day will be binding. This means that the due diligence process needs to be completed before the auction and this is often no mean feat, given that auction catalogues are typically released around three weeks prior to the auction itself.

Critical to this process is to actually inspect the property. Consider taking a surveyor with you so you can fully understand any maintenance or repair issues that you will become liable for. In addition it is a useful way to establish whether the property is occupied or vacant, and whether the occupation details as stated in the auction legal pack marry up with what is happening at the property.

Assuming you are happy with what you see on site, the next step is to thoroughly interrogate the legal pack. For those who are unfamiliar with this process I would urge you to seek the assistance of a conveyancer or solicitor who can advise you of any obvious concerns surrounding it.

Prior to incurring such cost, I would recommend that you take a look through yourself and identify any issues.

To follow are some of the ones I have seen in the past which you should be aware of prior to bidding:

1. **Is the seller obliged to allow access between exchanging on auction day and completion? This is a critical consideration if you are going to need a mortgage valuer to gain access in order to procure your completion monies.**

2. **Check the title plan to ensure that all of the area of land and buildings that you think you are buying are included. Also make sure that there is a legal right to access the particular land or property that you are hoping to buy.**

3. **Check any necessary planning permissions or building control approvals to ensure that the property can be legally used for its current purpose or for what you are planning to use it for.**

4. **Try and verify the rental income that is claimed. If tenants are at the property when you view then ask them about the terms of their tenancy and compare that information with what is provided within the legal pack.**

5. **Be aware that many auction contracts include a provision for the buyer to repay the seller's cost in respect of an auction sale and/or the legal costs. Such fees can be an unwelcome surprise if you are not expecting them.**

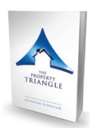
6. **Some contracts also include a requirement for the buyer to pay to the seller any arrears of rent on the property. This again can be a considerable sum and whilst you will also gain the right to try and collect them, if they were that easy to collect there wouldn't be any arrears!**

7. **The auction house will generally charge a buyer's fee. This is typically over £1,000. You should add all of the additional costs you are likely to incur and understand them before you decide on the maximum you can bid at auction.**

Auction does provide for a speedy and certain purchase of property and it is a method I have used many times myself. Those who come unstuck with an auction purchase are generally those who have not undertaken thorough enough due diligence or those who have failed to set in their mind a maximum bid price and have overpaid as a result of being carried away by the excitement in the auction room.

I wish you well with your bidding.

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".

MASTERS OF THE GAME!

THE TEAM BEHIND HAMMERED AUCTIONS SHARE THE SECRETS OF THEIR AUCTION TRADING SUCCESS

Interview and words: **Raj Beri**

The world of auctions can be full of jargon and fraught with uncertainties to the uninitiated. Most people view auctions as a place for property bargains from motivated sellers where one can add value for profit. But a different part of auctions is maximising return by positioning properties optimally for sale. Piotr Rusinek and Jay Howard are masters in the world of auctions and in this article, they share their auction experience, their auction businesses and their views on the current and future world of auctions.

HOW IT STARTED

YPN: How did you both get started in property?

Jay: Initially, I just followed in my family's footsteps as my uncles were involved in property in one way or another. I purchased my first property at the tender age of 17 and since then, I have always had an affinity with property. I distinctly remember one of my uncles telling me: *"There are two things people will always need: somewhere to live and somewhere to die."*

My first purchase was a funeral home, so commercial came first. To date, I haven't fixated on strategy or the asset type, focusing instead on the quality of the deal including:

- **good location**
- **yield**
- **asset size**
- **quality covenant of tenant**

I still believe that if investors focus on these

four things, they won't go far wrong. So, both mine and Piotr's strategy is to make money, whatever the asset/strategy.

En route, I have gained other invaluable experiences in estate agency, as an investment agent and developer, and for six years I worked for an auction company. All of these roles have proved to be invaluable and I would encourage anyone starting out with limited knowledge to gain experience in their chosen sector.

HAMMERED

Piotr: I studied economics and finance at Aberdeen University and moved to London to secure a job. Prior to moving to London, I went on a 10-day silent meditation retreat and ended up sending my CV to someone I met, who then offered me a job! One of my roles was to attend auctions and offer bridging finance services to winning bidders. It wasn't something I enjoyed but thankfully, my job evolved into finding properties for private clients and for company clients. Most of the properties I sourced were via auctions, and that's how I came to learn more about buying/selling in auctions.

I also sourced properties in other ways, but these routes were time-consuming and I didn't know when I would be paid. This is very different with auctions, which have a finite time period. To start my own investment businesses, I embarked on property education and did some rent-to-rent deals and some JV projects. The focus of the training was to find motivated sellers via direct-to-vendor approaches. I decided that such approaches were too long-winded and my future lay very much with auctions.

YPN: How did the interest and expertise in auctions develop and what led you to working together?

Jay: I worked for a wealthy trust fund and one of my roles was property acquisition, so I developed a lot of skills in how to buy well. Later, I also started dealing with disposals, which helped me develop a completely different skillset and mindset. I began to realise that whilst I've got fantastic patience with people, the same can't be said for patience with situations. Often, I would try to sell a property via agents and it seemed to take forever, so I decided to take properties to auctions. This way of

trading became my key focus for around 10 years, not only for the trust where I worked but also for private, wealthy clients.

My circumstances changed after I got married and through my father-in-law, I secured a job at Auction House London. I worked my way up to manager and head of compliance and complaints, and during that time, every single sale and purchase crossed my desk so the experience I gained was incredible.

People often say that immersion into a subject for 10,000 hours makes you a master but I think I must have had over 100,000 hours immersion by that stage! I love the certainty of auctions, so sourcing or selling properties via auctions became my mainstay. We focus only on the marketplace so that whatever property we buy, we implement the most appropriate strategy to yield the best return via a trade.

Piotr: Whether we are securing a property for ourselves or clients, we spot property problems. That allows us to secure them for a competitive price. We are then able to ensure that the asset is restructured in creative ways to maximise returns.

When I was working alone, I operated in a number of ways. If sourcing for clients, I would spot a deal and present them with a full breakdown and charge a fee if it was secured. In other instances, investors would fund a deal I had identified and we would JV on the project. In situations where I was helping a client to achieve a sale, I would advise them when and how to position the property and charge a fee for my service.

Deciding to work together is an interesting story in itself. I had been a regular attendee at Auction House London since its inception in 2011. I got to know Jay through the paperwork he would send to me, and also through listening to him speak at property events, including our own. I always enjoyed his talks and his professional approach, so when I had an idea to write a book on auctions, I decided to approach Jay via his director, who was very supportive. The rationale for writing the book came about because Jay and I were constantly asked the same questions, so a detailed book seemed like a practical solution. In addition, we both wanted people to approach auctions with knowledge rather than watch science fiction programmes like Homes Under the Hammer!

Jay: My experience of Piotr in a professional capacity was that he approached everything in a no-nonsense manner. Whether he was buying for himself or via a JV partner, everything was done correctly and on time and it was refreshing to work with someone so efficient. Importantly, we really clicked so whenever we met at a networking event, we would always have a catch up and put the auction world to rights. It's been a natural fit so everything that we have done, from co-writing the book to striking deals, has been done together.

SHORT TERM VS LONG TERM

YPN: What do your own personal investment strategies look like?

Jay: We regard auctions as a marketplace and it's a marketplace we understand very well. We have a few businesses together which are JV structures or SPVs, but everything I have done in the past is with other people. Pretty much everything we currently have "live" on Companies House are projects we are doing together – these are short term as we are traders, so everything will eventually be sold off. Our latest project is an advertising hoarding we bought in Fulham, which we are trying to do some weird and wonderful things with.

I believe that if you buy right and you know how to sell, there is very little risk. No risk of the property burning down or tenants not paying or the market collapsing. For investors that hold properties, I think they fail to factor in various costs when calculating yields over the long term, eg replacing boilers, furnishings or onboarding tenants. With trading, we avoid these challenges as they all sound and look very painful!

Piotr: In the past I have done R2R and tried to buy HMOs, which never materialised. I am grateful for that as I would hate to have to deal with the tenants and the increasing regulations. I like trading as it's quick and profitable and one can move on to the next deal. Our plan is to continue to build a sizeable investment pot and then at some stage in the future, we will build a portfolio with low gearing.

THE COVID FACTOR

YPN: What are your views about the world of auctions during and post-Covid?

Jay: The last 12 months or so have been interesting. We are both rightly proud of the auction industry because when everything started closing in March 2020, my ex-firm held an auction two days after lockdown, which they switched to running online within 48 hours. The ability to pivot and still provide a quality service was an amazing achievement and the rest of the property industry has taken note of what future working practices could look like. Agents were still able to create online content: video walkthroughs and Matterport became the industry norm. They moved from having one or two pictures in the catalogue to 15+ images, a video, Matterport and floorplans which helped people make an informed decision.

People may perceive a huge risk by not physically viewing the property before bidding, but auction houses have come a long way so if they are acting inappropriately, social media will expose their working practices. So generally, people will have good experiences with auctioneers who have a good reputation to maintain. People forget that physical viewings are not the norm with serious players in the world of auctions – I know one trader who has traded around 600 properties but only physically viewed a few dozen. He focuses on the fundamentals and buys with sufficient margin to ensure a good profit on resale.

Piotr: The increased number of people bidding via online auctions is great for sellers, but also for auction houses that can streamline processes and modernise even further. In the future, I believe that physical meetings will take place for networking and marketing purposes, and physically attending auctions to buy or sell properties may disappear.

Auctions give priority to sellers and at the moment, sellers are definitely benefiting from a heated market. Estate agents are lagging behind in the way transactions should be undertaken, especially the speed of transaction. Buyers therefore need to look for a profitable angle and to be able to add value and undertake thorough due diligence. Increasingly, investors also need to understand the new rules around permitted development, commercial leases and be able to solve problems that might be bigger than simple refurbishments.

CASE STUDIES

YPN: Can you tell the readers more about the first case study: Park Avenue Mews?

Piotr: Jay and I were going through some auction catalogues at our usual spot in the Premier Inn hotel, Kings Cross, when I spotted a row of four workshops producing around £15,000 per annum. I thought the lot was badly presented and it was impossible to even work out what was being sold from the images provided. My immediate thought was that they could be converted to residential units under PD, and I suggested to Jay that we buy them. I also liked the fact that the units were already let but on low-quality commercial leases.

So, two things stood out for me: (one) commercial landlords wouldn't be interested due to the low income/short leases, and (two) developers wouldn't be interested as commercial tenants were in situ and many developers would assume that planning was required for residential conversion. Anyone doing due diligence would also realise that the unit next door was refused planning four times for the same PD that we were planning. The workshops would present us with challenges but also with a good opportunity to resolve these for a profitable outcome.

We made some enquires and tried to secure the units pre-auction but that approach was unsuccessful. We found a great JV partner who knew the area very well and understood commercial property. We always consider multiple exits, so had options to go down the PD route for residential development or improve the leases to sell on as commercial units at a significantly higher price. For the residential scheme, we had a very good idea why the adjoining unit had been refused planning and knew how to fix those issues.

> The property was guided at £160,000; we had a maximum bid of around £212,000 and managed to secure it at this price.

We completed in October 2019 and using a good planning consultant, received approval to convert the workshops into houses. During the PD process we continued to receive rent so were never out of pocket, and we eventually received offers of £700,000 for a property that we had paid only £212,000 just a few months earlier. The whole process took around nine months. The units were resold in auction June 2020 and we managed the whole process without actually viewing the units internally as they were occupied.

Jay: Based on our due diligence, it was clear that the owners of the unit next door were undertaking the planning approval process by themselves (DIY), whereas we

knew that our scheme would be covered by PD – but to ensure a successful outcome, we planned to use a planning consultant. The council put a few hurdles in our way but eventually, they ran out of the time they had to consider the PD schemes so had little choice but to grant us PD rights. The reality is that even if converting to residential proved problematic, we would have re-geared the lease and traded the units and still ended up potentially doubling our profits.

Piotr: We know the developer very well and he went on to convert the commercial units to residential properties and added additional roof space. He also ended up doing a deal for the unit next door and transformed that into residential space. When we initially purchased the commercial units, another person also bought a similar row of units nearby and in due course, we advised him what we had done to add value and then ended up selling his units for a fee.

harman healy

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LOT 1 1-4 Park Avenue Mews, Streatham Road, Mitcham, Surrey, CR4 2EL

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Property Viewings
By prior appointment with the auctioneers

Vendor
a property company

Sold for £212,000

Property Details

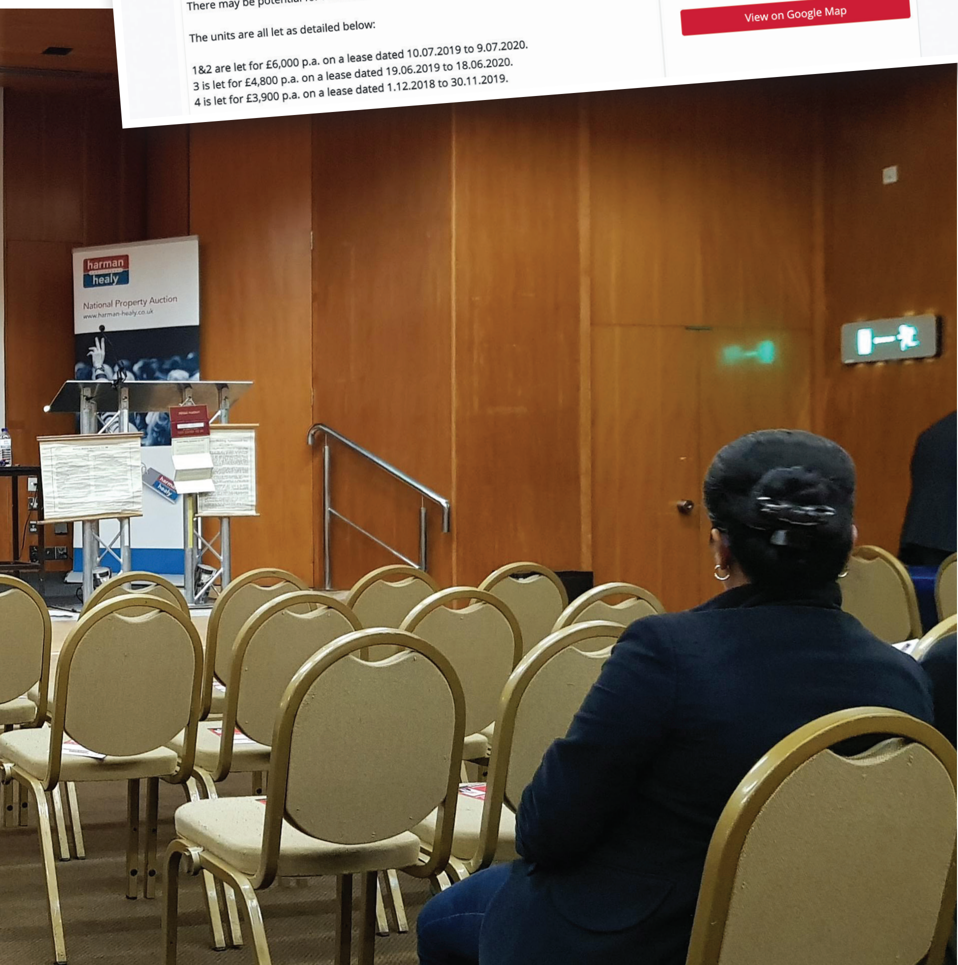
One double and two single workshop units situated within this mews behind shops on Streatham Road, running between Park Avenue and Caithness Road. At the time of going to press, internal inspection was not possible.

There may be potential for residential development, subject to the necessary consents.

The units are all let as detailed below:

1&2 are let for £6,000 p.a. on a lease dated 10.07.2019 to 9.07.2020.
3 is let for £4,800 p.a. on a lease dated 19.06.2019 to 18.06.2020.
4 is let for £3,900 p.a. on a lease dated 1.12.2018 to 30.11.2019.

View on Google Map



Case Study
PARK MEWS

Paperwork triple value add in 8 months

Purchase price:	**£212,000.00**
Transaction costs inc auction fees and SDLT:	**£5,513.73**
Cash put in:	**£21,200.00**
Private loan:	**£196,392.73**
Total costs of finance:	**£7,855.71**
Expenses during ownership:	**£6,081.00**
Planning:	**£1,986.50**
Legal costs:	**£1,440.00**
Insurance:	**£333.00**
CGIs:	**£178.50**
Measured survey and CAD drawings:	**£850.00**
Other costs:	**£1,293.00**
Rent during ownership:	**£11,025.00**
Sale price:	**£650,000.00**
(In addition to the purchase price, legal and auction fees were also charged to the buyer)	
Total revenue:	**£661,025.00**
Total costs:	**£231,450.44**
Company pre-tax profit:	**£429,574.56**
Time in the deal (months):	**8**
ROCE:	**2026.30%**
IRR:	**3039.44%**

YPN: Tell us about the second case study: Lewisham High Street.

Piotr: The second case study is from a client who did our workshop a while ago. He had experience as an auction buyer, but now wanted to try selling at auction. He had previously purchased a freehold building that had a number of distinct units including a leased ground floor shop, a first floor office and a rear garage that had access from another road. He felt that significant profit could be generated by separating the freehold before selling, and approached us to ask if his idea would work for an auction.

Our advice to him was to offer the property as three separate lots. So, the garage would be lot number one, the office would be number two and the freehold with the shop, lot number three. We also suggested that collectively, the reserve prices should be around the same price he had purchased for. There was a risk that he would make no extra profit from these transactions, but we also knew that the different lots would appeal to a larger audience than if sold as one freehold building.

Our main role was to increase the audience interest for this property, but we also suggested that he submit several planning applications to convert the office into a residential property, and to convert the garage into a house. As the timescale did not allow for planning approval, we also suggested that he create CGIs. The units were offered at very attractive prices and all sold to generate a significant uplift in profits.

Case Study

LEWISHAM HIGH STREET

Splitting titles and positioning the deal to create handsome profit

Contracted purchase price:	**£450,000**
Exchange deposit:	**£45,000**
Legal costs:	**£2,500**
Architectural and planning costs:	**£3,000**
Resale of freehold with commercial:	**£262,000**
Sale of the 1st floor office:	**£167,000**
Sale of the garage:	**£88,000**
Total sale costs:	**£517,000**
Net auction costs:	**£5,170**
Profit:	**£56,330**
Return on money invested:	**112%**
Timeline:	**8 weeks**

WHAT NEXT?

YPN: Where are your businesses heading – collectively as well as individually?

Jay: We are aiming for significant growth as traders. As Piotr alluded to earlier, our focus now and in the near future will be trading so that eventually, we are in a position to hold a portfolio that is only geared to 50%. The portfolio will likely be commercial as we prefer business-to-business landlord-tenant relationships.

We will continue to strive toward excellence for current and future clients with respect to the services we offer as auction experts. We will continue to do deals, but very selectively and only with carefully chosen JV partners. So, it's very much a case of taking over the world or going home and neither one of us is planning on going home!

Our focus on commercial units might seem counterintuitive considering the ramifications of Covid with respect to the future of office and retail space. However, we're fairly contrarian, so where people are moving away from one arena, we can often find angles that people have missed. For example, if commercial landlords are exiting, maybe they're unaware of the new permitted development rights or perhaps they haven't explored the new types of tenant tenures which may be more flexible but equally profitable.

Piotr: I would add that often, we're just opportunistic. Sometimes it's about the situation of the seller and how we're going to structure the whole deal rather than whether it is commercial or residential. Shortly we will be launching a distressed asset platform which will connect buyers and sellers. The platform will also be used to find distressed assets and find win/win solutions with the asset owner.

JAY & PIOTR'S TOP AUCTION TIPS

Tip 1: Never become a motivated buyer. Do your due diligence and let the numbers decide the purchase price. If the price goes beyond what you can pay, ignore the time, effort and costs you have incurred and be prepared to walk away. If you have limited self-control, take someone with you to the auction!

Tip 2: Ask lot of questions of everyone before the auction and if a critical decision-making document is missing, either don't bid on the lot, or simply add enough buffer to cover worst case scenario cost to resolve the issue.

Tip 3: Ensure that your legal pack is complete by putting yourself in the shoes of the buyer.

Tip 4: If you are considering selling at auction, think how the property can be positioned for the best outcome and to appeal to the widest audience possible as the latter will drive the final price.

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Listen in to our conversation with Jay & Piotr here

A CHANGING WORLD

WHAT AN AUCTION VETERAN HAS LEARNED IN THE PAST 18 MONTHS

Interview: **Ant Lyons** / Words: **Angharad Owen**

Paul Ribbons is a veteran property trader with extensive experience of selling at auction. Since starting in 1997, he has completed approximately 800 transactions to date. In this article, Paul discusses how he has adjusted to a new auction format over the past year, how his business was affected by Covid and shares his outlook for the future of the auction industry. Over to Paul …

LOCKDOWN

When rumours of lockdown started in March 2020, the first thing we did was get rid of whatever stock we had. Two days before the official lockdown, we held an auction to sell as much as we could. We all thought that this pandemic was going to cause us financial ruin and everyone was talking doom and gloom. A couple of our properties were problematic with short leases and so on, so we decided to let them all go and take a quick loss.

The next thing we had to do was figure out what was really going on — but there was no activity whatsoever and no one was working during the lockdown period. Some were trying to work from home but it was a complete scramble. Not just our industry, but every industry. Everyone was asking how to function in a locked-down world.

"The first few auctions after lockdown were interesting."

ADJUSTING TO NEW AUCTIONS

The first few auctions after lockdown were interesting. I was especially concerned about how they would fare because no viewings were taking place. We kept out of the first one to see what the market was going to do. While I wasn't worried about the actual auction itself, I had no idea what the prices would be or where the data points could be found.

There are always data points. In an ordinary auction they would be things like the number of viewings, the number of legal pack downloads, pre-auction offers and so on. This gives the auctioneer a feel about who is interested in the lot, and of course viewing assistants would provide feedback too. Taking the auction online was completely different and difficult to navigate because those data streams dried up. Not having that data affected our confidence of knowing whether a property would sell and for how much.

However, we noticed that auctioneers were uploading videos of property walkthroughs on YouTube, so we took note of the number of views a video had. While many of the views could have been the same people watching it over and over, it still gave us a good benchmark. In a catalogue of 70 properties, comparing the number of views allowed us to gauge which lots were more or less popular than the others. Video views were the first important data point.

The second was bidder registrations. In a traditional auction, bidders can register on the morning of, but sellers don't know how many people are specifically registering for their lot. With online auctions, however, bidders register for a specific property. This is a really important data point for us. Finally, we kept an eye on the number of legal pack downloads, but we found this didn't really give an accurate interpretation, and it was more of a generalisation. Studying our three new data points allowed us to determine the likelihood of a lot selling.

There was clearly an appetite for investment, because interest rates dropped to 0.01%, which usually bring a few of the old-school cash buyers out of the woodwork. And we noticed in the first and second auctions that people didn't seem bothered about viewing a property and appeared to not have a problem with buying blind. I genuinely thought that would cause a problem and it really surprised me that it didn't.

The first auction I paid attention to was Clive Emson's three-day online auction — it started on a Monday and ended the following Wednesday — because I needed to find out what we had to consider when selling going forward.

HOW ONLINE AUCTIONS WORK

As mentioned by David Sandeman in his article, there are two types of online auction: (a) live-streamed with an auctioneer, and (b) completely virtual, eBay-style.

Personally, I'm not a fan of the live-stream format; it's clunky and there's no atmosphere. We've tried them over the past year, but they've not been as successful as the completely online ones.

On the fully virtual auctions however, I was initially concerned that people would make last-second bids, as they do on eBay. I'm glad to say that property auctions operate differently – if a bid comes in in the last 30 seconds, the counter gets reset by either a minute, three minutes or five minutes, depending on the auctioneer. That means there's no jumping in to outbid at the last minute, and it gives people a moment to make a decision on whether they want to pay a little more. It's also possible to see how many people are watching as well, which is really useful.

The longer an auction goes on, the more likely there'll be the, what I call, "wine o'clockers". These are the people who bid after having a few drinks and throw in another couple of grand. You can see a little spike in bids! This aside, most of the action is within the last half hour.

Having auctions online offers more flexibility, not just for buyers, but also with the deadline that sellers need to adhere to. Previously, auction houses wanted all the lots in at least five weeks before the actual auction date. It would take about four days to get the catalogue printed, which would then be sent to clients, and then everything would be uploaded to the website. Now, because the physical catalogue doesn't need to be produced anymore, auction houses can have their cutoff date up to three weeks prior to the auction. This still gives them plenty of time to compile the legal fees and documents, and to get the photographs and videos done and uploaded.

CASE STUDY 106 BERESFORD ROAD, GILLINGHAM, KENT

- 2/3-bed semi-detached house needing complete modernisation
- Bought blind during first lockdown as we were not allowed to view
- Purchase price: **£150,000**
- Sold via Clive Emson Auctioneers online three-day auction: **£208,000**

We bought this property for £150,000 during the first lockdown. While I was trying to figure out what the government were going to do, I noticed that the auction market was functioning in a very peculiar but strong way. We were confident enough to buy this property, although I must admit, we tried to get it cheaper.

To be honest, this was a good one to test the water, because there was still so much uncertainty and we didn't know if surveys could take place. Like everyone, all our experience was in the traditional auction methods and all of a sudden we were thrown into this completely new way of doing things.

We were a bit worried about where this property would sit and how it would perform. The adjoining semi was on the market at the time, completely done up, for £230,000, whereas ours needed a complete modernisation. It sold for £208,000 in the second auction that Clive Emson held after the lockdown had lifted, which showed the confidence people had in property in general. I noticed that our lot had a load more views than the rest of the catalogue, and this confirmed that I knew what to look for going forward.

BUYING PROPERTY TO SELL AT AUCTION

Unlike eBay, a property on an online auction doesn't automatically get relisted if it doesn't sell. Usually there's a reason why it wouldn't sell, like a poor location or there's something drastically wrong with it. It's usually possible to tell when someone is getting anxious to sell because the price will reduce substantially.

That works really well with my buying strategy. I like buying when the market is raging, because I pay attention to the properties that have been on the market the longest. Agents tend to get irritated when something hasn't sold within two to four weeks, and then they forget about it because they're concentrating on new properties coming onto the market. They then get some pressure put on them from the vendors who really want to sell.

For example, something that's been on the market for a long time might have looked expensive when it first came on. If the market is rising, six months later, it will look quite cheap. There's a lot of value there and we can buy it for a bit of a bargain.

THE SURROUNDING MARKET

Auctions are a great reflection of what's going on in the wider market. Prior to the lockdown, I assessed the situation in China, Italy, France and Spain; what their lockdowns looked like and what they were doing for their economies. By looking at the other countries, I tried to predict what the UK was going to do. How would people get money when they were being told to stay home?

I knew that the government were going to throw the kitchen sink at it, and we constantly heard the message: "Whatever it takes." At the time, I genuinely thought they meant it and I reckoned it would be at least a year until we had some sort of vaccination programme. So I estimated that we would get back to normal around 18 months after March 2020.

I've gathered some evidence and I believe there will be a boom for the next 18 months at least — perhaps even for the next three to four years, depending on what the government does with stamp duty.

CASE STUDY

7 WESTGATE TERRACE, WHITSTABLE, KENT

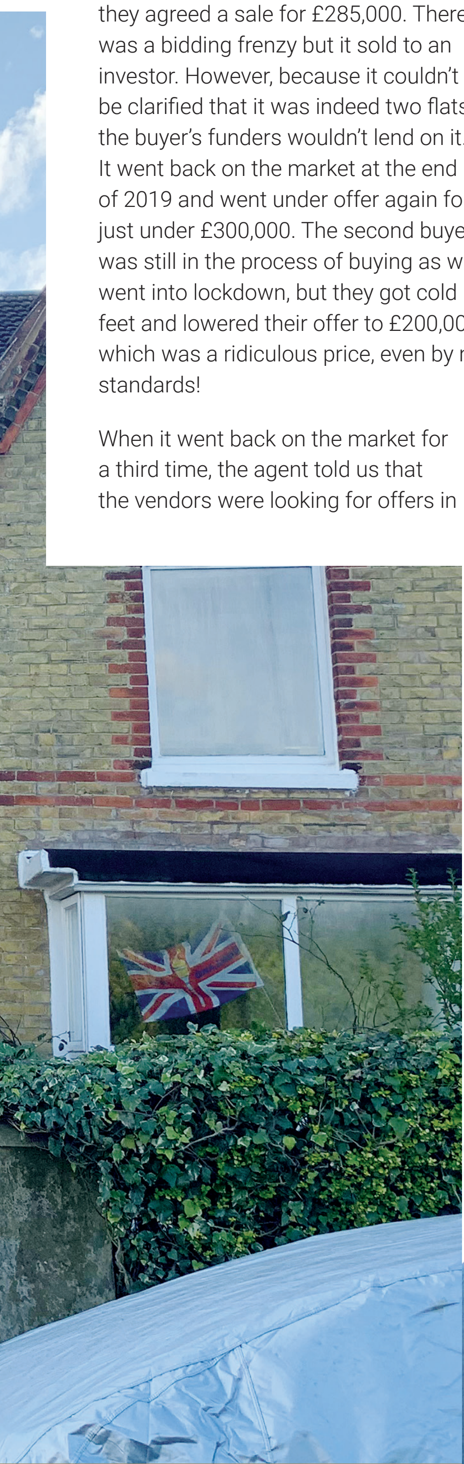
- Large terraced house arranged as two flats (no planning), with potential to be turned back into single dwelling
- Property needed complete modernisation
- Parking at rear
- Bought blind
- Purchase price: **£241,000**
- Sold via Clive Emson auctioneers online three-day auction: **£391,000**

Whitstable is a popular seaside town where second homes are very much in demand. In the middle of lockdown, we managed to buy a property in a trendy part of town, two roads from the harbour with off-street parking – that could easily be the difference between £50,000 and £100,000. It turned out that the property had been converted into two flats back in the 70s, but the vendor unfortunately had dementia and wasn't able to give any further information.

It wasn't possible to qualify or quantify the fact that it had been flats for so long, but I knew I could get the information through other means. It was actually on the market in 2019, and it went under offer via a traditional estate agent on a sealed bid scenario.

It was on the market for £250,000 and they agreed a sale for £285,000. There was a bidding frenzy but it sold to an investor. However, because it couldn't be clarified that it was indeed two flats, the buyer's funders wouldn't lend on it. It went back on the market at the end of 2019 and went under offer again for just under £300,000. The second buyer was still in the process of buying as we went into lockdown, but they got cold feet and lowered their offer to £200,000, which was a ridiculous price, even by my standards!

When it went back on the market for a third time, the agent told us that the vendors were looking for offers in excess of £250,000. During lockdown, the second home market was very strong and the agent completely missed a trick: although it was two flats, it could have been easily turned back into a house. We agreed a purchase price of £241,000. We then placed it into a three-day auction in November 2020 with a guide price of £250,000.



"We were very fortunate because a house two doors up, with a new full-width extension across the back and a loft conversion, came to the market at the same time as the auction. It was priced at £685,000 and sold to the first person through the door, which made our £250,000 un-extended house look exceedingly cheap."

On the first day of the auction, bidding jumped quickly to £280,000, so we knew immediately we were in for a profit. It crept up to £300,000 on the second day, and by the third day, there was a bidding war between two people. It eventually sold for £391,000 — that was a great day!

THE FUTURE OF AUCTIONS

People are getting used to the new way of doing things, but viewings are taking place again now. I don't think it's going to be very long before we're back to normal, but I hope that auctions don't completely go back to the way things were. I believe the industry will embrace a hybrid or a mix and match solution, combining the best bits of online and physical auctions.

Some people love the buzz of the room, but there are some very obvious benefits for auctions being online, as they're usually over a longer period of time and there's a lot more flexibility. But while I think a lot of industries have probably changed forever, I think ours will go back to normality pretty quickly because people want that connection.

The new virtual process definitely attracted a new market to the world of property auctions. It may not be what you think — the older generation are pretty good online, and it goes without saying that the younger generation are au fait with it. Also, I need to recognise that people who may have found being in the room an intimidating experience have felt more comfortable behind a screen. Some are nervous to sneeze or scratch their nose in the room just in case they accidentally buy something.

I really hope that what the industry has learned over the past year or so will end up speeding things up with property purchasing. I was really upset when the conservative government ditched the seller's pack, because I thought it was a fantastic idea and it would have allowed buyers to exchange contracts immediately.

Unlike a normal transaction, buying at auction gives absolute certainty. The unreliability of property purchases and not knowing what the eventual outcome will be drives people crazy, and it's absolutely one of the reasons why it's one of the most stressful things anyone can do in life.

To be fair, the property auction industry reinvented itself very quickly and adapted well to the changes that needed to be made. It will be interesting to see if that level of adaptation is mirrored in the wider property market too.

CONTACT

If anyone is interested in finding more about what Paul is up to, get in touch with him here:

Facebook: Paul Ribbons Group

Listen in to our conversation with Paul here

RIDING THE WAVE

KEEPING UP WITH THE MARKET

Interview and words: **Angharad Owen**

No stranger to the pages of YPN, in addition to the types of projects we have covered in the past, Saif Derzi has had phenomenal success in both buying and selling at auction. In this article, he explains how he adapted his strategy during the lockdowns to match property demand — going from buying to trading in an incredibly tough market.

BACKGROUND

Saif started investing in 2015 with buy to lets. Over the years, he caught the investment bug and it snowballed. Six years later, he now has four businesses, each focusing on a different aspect of investment:

- **SDGB Properties, his main investment company;**
- **Property Buyers Today, his property cash-buying company;**
- **KDSD, a trading and development company;**
- **and Let-Co Property Management, a lettings business.**

"They're not separate," he says, *"they're all very similar because we're moving in the same direction."*

Over the past three years, he has bought and sold over a hundred properties. However, throughout the pandemic, Saif was forced to change his focus from predominantly buying to hold to buying to sell, as the economy shifted from being a buyer's market to a seller's. *"We thought rather than go against it, let's ride the wave and move with it,"* he explains, so he decided to trade property by selling at auctions.

THE LOCKDOWN EFFECT

Each of the three separate UK lockdowns have been very different, although on the surface they appear to be similar. For Saif, the first was the worst, as the shock and uncertainty drove lenders to stop lending. *"A lot of my friends, colleagues and business relationships in the financial world didn't even understand what was going on,"* he says. *"To me, when people at that level don't really understand, it ripples all the way through to the retail investors."*

During the second lockdown, auctions continued virtually. Although there was still a lot of uncertainty — particularly in the owner-occupier market — investors were starting to rebuild their confidence. By the time the third lockdown was imposed, it was clear that the pandemic was not going away and demand for properties really started to gain momentum.

"I think a lot of it came from boredom," Saif suggests.

> "People were sat at home bored, with money, so decided to buy some houses, do a project or do some DIY."

The full impact of all the money in the system, stamp duty holidays and not having enough stock on the market began to show when the third lockdown began to lift. Add to this the fact that people are demanding more green space and want to move out of the city and town centres. *"We're starting to see a real massive frenzy of people looking to buy property and [there's] just not enough stock in the market,"* he adds.

How does this relate to auctions? Prior to the pandemic, people were often wary of auctions. The pressure to complete within 28 days was, and still is, a big commitment,

so auctions used to be mainly attended by experienced property buyers who were willing to take more of a risk.

However, the pandemic has made auctions much more accessible. Whereas it used to necessary to be present in the room, people now can attend and bid from home.

The reliability of buying a property through auction is drawing people in. *"Auctions used to be somewhere you used to go grab a bargain,"* Saif explains. *"Now, they're somewhere you get certainty that you're going to be buying a property."* This is a reflection of the heavily competitive market at present, where many buyers have been outbid, underbid or gazumped.

And this competitive property market is not just present in the UK, but seen worldwide in established mature markets. The UK market is heavily fragmented — as is evidenced by the well-known London bubble — and Saif and his team have noticed that a lot of the demand is from yield-driven investors, who are wanting the best yield and return on their investment.

Banks, bonds and other safe investing environments are no longer beating or even keeping up with inflation. This led people to invest in property, particularly in low-cost areas of the Midlands and the North, creating yield compression. For example, people would be willing to pay an additional £20,000-£30,000 for a £100,000 house that would rent out at £8,000 (an 8% yield). The additional demand squeezes down the yield and drives up the capital value.

Lifting the third lockdown caused a UK-wide phenomenon. The flat-centric London market went down, because people who were living in one-bed flats and HMOs suddenly didn't need to be there anymore, and many HMO tenants went back to live with their parents or moved to the outskirts.

KEEPING ON TOP OF THE WAVE

"I remember this quite vividly, as soon as the lockdown happened, we had about six transactions going through," Saif recalls. *"Everyone around me was telling me to not buy them and to let go of them."*

Looking back, however, he remembers Warren Buffet's advice: be greedy when others are fearful. *"For me, that was my first real experience of, what I call, a black swan event. I was at university in 2007 and 2008, and I had no clue what was going on then,"* he explains. Instead, he listened to people who had experienced volatility in the property market and wanted to stay safe. Next time something happens, he will be in a much better place to act as he now understands the psychology of what happens when the market crashes.

It was imperative that he moved quickly when the lockdown started lifting at the end of May 2020, so he jumped back into the market. *"The stock we picked up there we ended up trading out by the end of the year or beginning of 2021,"* he says.

He and his team utilised their creativity and solved more complex deals that were too early to bring into the still recovering market. These included tenanted properties where the tenants weren't paying, or stock that had been repossessed. The silver lining of the lockdown was that Saif had both the mindspace and time to find solutions, as there weren't as many deals coming through his usual pipelines.

2019 was a successful year for SDGB with regards to buying at auction. *"We were picking up real bargains,"* he says. *"Naturally, we thought 2020 was going to follow suit."*

Saif had wanted to continue this strategy during 2020, and there was a lot of property that was good value. *"We downloaded 70 different legal packs, viewed 70 different properties, you name it. We did everything. We actually only ended up picking two of those 70 properties,"* he says. Some sold pre-auction and others went over Saif's max bid.

Of the two that he did manage to secure, one had a tenant without an AST and the other had a legal problem. *"We like finding stuff that other people aren't interested in sorting out. They don't want all of these complications. We have a team, the expertise and the knowledge to be able to solve a lot of these problems,"* he adds. *"And that's how we unlock a lot of the equity."*

It was a good experience but buying was too competitive, so he decided to try being a seller in this auction market. He examined his portfolio to see if there was anything suitable to sell, looked at their pipeline for trading opportunities and targeted properties that could be suitable to trade.

"We downloaded 70 different legal packs, viewed 70 different properties, you name it. We did everything"

Case Study
SPANSYKE STREET
DONCASTER

Type of property	**Mid-terraced**
Purchase price/ Acquisition cost	**£39,999 – off market**
Purchase/ Acquisition costs	**£600**
Funding method(s)	**Cash/bridge**
Amount of funding	**£32,220**
Borrowing rate	**0.75%**
Monthly mortgage/ funding payment	**£284.63**
Personal money in	**£8,347.35**
IF SOLD ...	
Sale price	**£60,500 – through auction**
Profit	**£18,459.02** Exit fee: **£248.63** Loan amount: **£33,150** Redemption fee: **£295** Personal money: **£8,347.32**

"This came to me off the market, and it's in an area that I'd say is probably one of the lowest types of areas in Doncaster in terms of value," he says. *"If you told me pre-pandemic I would be buying it at £39,999, I'd say that was market value for it. Post-pandemic, it's a different story."*

This part of Doncaster is a very yield-driven area, and instead of focusing on buying it for as little as possible, Saif was interested in knowing what someone would be willing to pay for it from a yield perspective. His research suggested he would be able to get £50,000-£55,000, but little did he know that he'd end up selling it for £60,500.

"We took a bit of a risk because it had a problematic tenant," he says. The house wasn't in the best shape, and although the rent was being paid directly from the council, it was still less than the market value. Despite the tired interiors and less-than-ideal rental income, Saif still saw it as a trading opportunity.

"*We literally did nothing to it,"* he explains. *"We created a legal pack, put it into auction two weeks later and that was it."* Saif relied on his knowledge of the area and market, and balanced what he paid for it against how much someone else would be willing to pay for it based on its yield.

Other properties nearby had sold in the region of £60,000, and they were being let for between £400 and £600 per month, thus providing a yield of between 8% and 12%, depending on what people were willing to pay.

To get enough interest, Saif cleverly marketed the property. He wanted people to download the legal pack and experience the fear of missing out, so he set a guide price of £20,000 to £25,000, and the reserve at £25,000. *"Technically I could have made a £15,000 loss, but I trusted the market and I let it do its thing,"* he says. *"That's the difference between a trader and an investor."* Let it be said that Saif is only comfortable taking such risks because he knows and understands the micro market.

His strategy paid off. There were 60 registered bidders, despite it only being marketed for two weeks prior to the auction, and it was sold for £60,500.

Case Study
UNION STREET
MARKET RASEN

Type of property	**Block of flats/ commercial unit on ground floor (mixed use building)**
Purchase price/ Acquisition cost	**£75,000 - auction**
Open market value	**£150,000**
Purchase/ Acquisition costs	**£2,000**
Funding method	**Cash/bridge**
Deposit paid	**£7,500**
Amount of funding	**£63,000**
Borrowing rate	**0.85%**
Monthly mortgage/ funding payment	**£535.50**
Total money in	**£159,610 (total costs for purchase, fees, refurb, finance)**
Personal money in	**£12,795.80**
COST OF WORKS	
Duration of project	**6 months**
Planning costs	**£1,400**
Planning duration	**2 months**
Total costs of refurbishment	**£78,000**
VALUATION & INCOME	
Post-works valuation	**£300,000**
IF RETAINED ...	
Re-mortgage amount	**Yet to refinance but below figures is what is agreed with lender**
Rate	**4.9%**
Money back out	**£225,000**
Money left in	**-£66,000**
Monthly income (per unit if more than one)	**800 x 1 dance studio (commercial unit)** **425 x 3 flats**
Monthly mortgage payment	**£918**
Monthly costs	**£120**
Net monthly cash flow	**£1,037**

"I bought this one towards the end of 2019 and we completed on it just as the pandemic started," he says. *"I wanted to talk about this one because I wanted to show the difference."*

This property went to auction with a guide price of £150,000. At the time, it seemed cheap as it was in a great condition. It was a multi-use space with offices, shops and flats, and it was being sold because the vendor needed to release some capital.

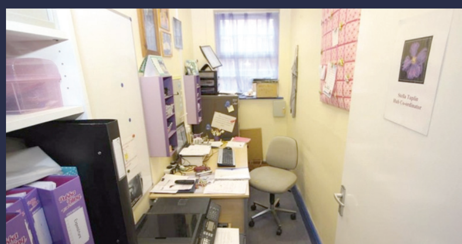
At the first auction, it failed to sell. The auctioneer called Saif to ask if he was interested, so he offered £100,000, which wasn't accepted. When it failed to sell a second time at auction, Saif offered £75,000. *"Just to put it into context, if it went into auction in today's market, it would probably sell close to £200,000 to £250,000 as is,"* he explains.

He bought it for £75,000, and planned to convert it into five flats (two on the ground floor and three on the first and second floors) with a retail shop at the front. A dance school was interested in leasing the entire ground floor, so after a rent negotiation, Saif changed his plans to only convert the top offices into three flats.

However, it's important to remember what the market was like at the end of 2019. There was still massive uncertainty surrounding the general election, and people were waiting for the market to crash. When the conservative government won, the UK experienced the so-called Boris bounce-back.

When the market did eventually plummet in March and April 2020, people took a step back and waited for it to settle. *"My point around this is to not wait,"* Saif urges, *"there's a deal in any market."*

Opportunity costs need to be considered too. Although it's important not to buy something for the sake of it, getting into the market will always outweigh the risks of not getting into it. It's impossible to time the market and the perfect deal doesn't exist. *"When I got my first BTL in 2015, everyone was saying the market was going to crash then,"* he says. *"But how much growth have we had in six years? How much income have we made?"*



LOOKING FORWARD

In order to understand the future of auctions, Saif believes it's important to study the property market. He says: *"We still have a good couple of years of this boom before we see anything significant happening."* He cautions that although it will continue increasing, there will be dips, which will be influenced by banks and asset managers bringing back repossessed stock into the auction market.

Supply will, hopefully, meet demand, and prices might cool off a bit before it goes back up. This will have a big impact on the auction market.

Keeping on top of the market and its trends is very time consuming. Saif focuses on consuming information through reading and listening, but ensures that he gives himself time to reflect on what he's learned. *"You're gathering all this data, but it doesn't mean anything unless you can then form your own opinion about what it all means,"* he advises. Forming one's own opinion is imperative to be able to continue to be successful, as is making a decision and sticking to it.

"I'm always tracking where the wave is going and what's happening," he adds. As soon as he feels the economy changing, he will adapt and scale back the trading to buy at auction once again. *"Maybe we'll go from sellers to buyers, but that could take a year, that could take five years. It all depends on what happens."*

If you are interested in learning more about selling via auction or are interested in what Saif is doing, then feel free to contact him through the details below.

CONTACT

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Listen in to our conversation with Saif here.

A PROPERTY WITH SUBSIDENCE

HOW I BOUGHT IT, FIXED IT AND GOT ALL MY MONEY BACK OUT!

Interview and words: **Julie Whitmore**

With a career in the army from the age of 16 and purchasing his first BTL at 21, Clint Hamblett has a property story to tell. In this article, not only does he talk us through his first auction purchase – a property with serious subsidence issues – he also shares how an accident that left him recovering at home for six months helped him develop his knowledge about different strategies, enabling him to leverage and grow his business.

The case study outlines how he was able to take out all the money invested in the deal on refinance through careful due diligence and practical management of the structural and refurbishment works.

YPN: Can you tell me about your background and how you got into property?

Clint: I joined the army at 16 and from 18 did a few back-to-back tours, starting with Kosovo. This enabled me to save money as when out in conflict areas, you don't really spend anything!

My dad gave me some advice a few years ago saying, "It might be a good idea if you get your own property and let it out."
I started my property search at the age of 20 and at 21 (in 2004) whilst home on leave, I agreed the purchase of my first investment property. None of my family and friends at the time had any BTLs or investing experience, hence I purchased the property on a repayment mortgage and let it out to a family friend.

I renovated the property myself; my dad was a self-taught 'jack of all trades' and being around him from childhood helping out with home extensions and other works, was how I learnt my skills. The rental income covered the mortgage with a little left over; I thought this was brilliant!

I have family in Northern Ireland and in 2008 an opportunity come about to buy a property with a JV partner with the intention of flipping it. We were getting a great deal on the purchase price as the developer was a family friend.

"The market was booming and we agreed a sale on the property which would give us a good profit."

However, during the purchase period the market crashed, unnerving the buyer who pulled out. We let it out and still own the property which is breaking even at this point.

I always knew that I wanted to go into property and that the market would eventually recover. I waited a while and in 2009 I did a JV with my brother back in my hometown of Morecambe. The property was sourced from a builder who had owned it for a while. He had been hit by the credit crunch so needed to offload the property as he didn't have the funds to renovate it himself. We got a good deal. My brother and I renovated it and retained it to rent out.

A few years later I was posted to Nottingham and my wife and I wanted somewhere to settle. She wanted stability for the children and not to have to move around in the way that she had during her childhood within an army life, so we purchased a family home in 2012. The house we purchased required a lot of work, including a large extension which we did ourselves. It took four years to complete all the renovations. Having completed a plastering and plumbing course at night whilst I was younger, I was able to be hands on with the refurbishment.

In 2017 I had a mountain bike crash and broke both of my shoulders. Whilst I was off work recovering, I started to watch YouTube property-related videos. These enhanced my understanding and educated me in other property strategies that previously I had no knowledge of. Through binge-watching the videos I learned about strategies such as title splits, HMOs, serviced accommodation, etc and I developed so much more knowledge during my recovery period.

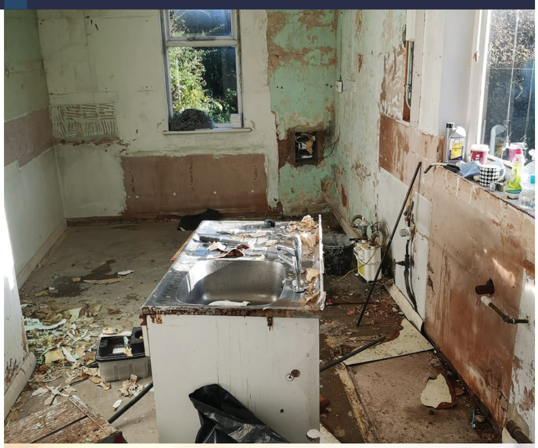
I hadn't realised that what I had been doing was BRRR (buy, refurbish, refinance, rent) or selling instead of renting and that I could do it a lot faster. Obviously, what I had been doing in property previously had worked for me: buying below market value, adding value, and putting the property onto a fixed- term mortgage. I was unaware, however, that I could get money back out within six months by purchasing with cash or a bridging loan, enabling me to scale and grow faster.

Case Study

55 STANTON ROAD

ILKESTON

Type of property:	**Semi-detached**
Purchase price:	**Auction purchase winning bid £102,000**
Open market value:	**£140,000**
Purchase costs:	**£4,293.20**
Auctioneers fees/ admin fees/my solicitors fee/ sellers search fees plus £3,060 (SDLT):	**£7,353.20**
Funding method:	**Cash purchase**
Deposit paid:	**Auction deposit 10% of winning bid = £10,200**
Amount of funding:	**£50,000 Bank loan**
Borrowing rate(s):	**3%**
Monthly mortgage payment:	**£276.29**
Total money in:	**£164,500**
Personal money in:	**£114,500**



YPN: As a result of watching these videos and extending your knowledge, did this influence what you were doing in terms of the strategies you undertook?

Clint: After the six-month break, I went on to complete some property training courses; Deal Sourcing and an HMO Masterclass, Property Investors Crash Course and Simon Zutshi's three-day Property Magic Live. I now focus on networking with property investors, something I lacked in my earlier days. Since 2018, I have acquired eight more properties, proving the benefits of having the right knowledge.

I buy properties where I can add value and which enable me to put my creative ideas into practice whilst being hands-on with some of the refurbishment. Without the knowledge I gained, I would not have been able to complete on some of the deals I have done. For example, I purchased a property through an estate agent where I met the owner of the property on site for the viewing.

It was a shop with two flats. The owner had completed work on one of the flats and the exterior of the building. It was a freehold block with the shop on one title and the flats on a separate title. I negotiated a price for the whole building; the shop cost me £1,500 meaning I had no finance on it. Having now obtained planning permission, I'm about to convert it to a residential flat.

YPN: Tell us about the property you purchased at auction and the process involved.

Clint: At the beginning of April 2020, I had just finished a flip and while awaiting completion of the sale, I had some spare time. A friend's son (who works in London) needed some work doing on a house he owned and asked if I would take on the project management. The house was a twenty minutes' drive from home and on the way home one day, I noticed an auction sign had appeared on this property.

I obtained the legal pack and details from the auction website. As I have a good relationship with my solicitor, I asked her to review the legal pack. She had a good look through and advised me on certain points, after which I felt confident to proceed.

YPN: Were you able to physically view the property as this was during the lockdown period?

Clint: As I was passing frequently, I stopped and looked around the outside a few times, including a visit with my builder. The auction house was also conducting viewings, so I called in and had a good look around. I was aware of the subsidence issue with the building before the auction.

YPN: What was the builder's view and advice on the property having seen it?

Clint: Everything can be fixed no matter what the problem is. It's about understanding the costs to enable you to estimate the purchase price, and ensuring the deal will meet the required target profit.

My builder and I estimated the cost to underpin the whole building, replacing the floorboards if required – sometimes on houses with subsidence these may have sunk and need to be replaced. Fortunately, on this house they hadn't sunk; they were slightly affected in one room, but it wasn't that noticeable and didn't require any work. There were substantial cracks, which had to be repaired, and the foundations were weak, necessitating the underpinning.

The builder did not undertake the underpinning works. I chose a company specialising in ground stabilisation techniques, Geobear, who use their own engineers. The process involved drilling down to a metre below the foundations to inject a substance which, due to the chemical reaction created, sets the whole ground. They were slightly more expensive than budgeted for, however were a great company and could provide the certification to confirm the structural adequacy of the building required for the mortgage. The builder would have needed to consult an independent structural engineer to provide the certification, incurring additional time and cost.

YPN: What was the plan for the refurbishment and the timescale?

Clint: The underpinning has to be done first as it can sometimes cause slight changes to the building, by a few millimetres, which can cause cracking to plaster etc. When the underpinning was completed, we started the strip out. It was a three-bedroom property and by undertaking some configuration changes upstairs I was able to improve the layout, increasing the bathroom and bedroom sizes and creating a small office. It was just over three and a half months to complete the refurbishment since I had been able to get Geobear in earlier than expected.

I have a good working relationship with the build team, which has built up over time. We have good banter between us … a bit like the army. Whilst I undertake the project management, I'm also hands-on with some of the works as required. Because of the great relationship we have, some of the team will work at weekends if necessary. I keep them focused so that they understand their roles, rather than leaving it to me! The advantage of being hands on is being able to avoid delays if a tradesman is not available, therefore no delays waiting for someone and no delays to timescales!

YPN: Can you share details of the purchase and costs and how it was funded?

Clint: There were two kinds of auction fees: 1% of the purchase price on the day of purchase in addition to the deposit; then on completion, an admin fee of 1%, together with £199 towards the seller's searches. It's important to check the special conditions for other costs as these can sometimes run into thousands of pounds.

"It was a cash purchase which enabled us to complete within the standard 28 days. The completion period can be 14 days or less on occasions so it's really important to understand the timescale from the legal pack."

I applied for a bank loan for £50,000 for the majority of the refurbishment works using the equity in our own house as security. I also had some additional savings and funds available, which were put towards the refurbishment work. The loan application process was straightforward, and the funds received without any delays.

The auction was held online and there were a few interested parties bidding. At the time of the auction, I was driving with my wife in the car, and she was managing the bidding; the phone was connected through the car speakers so I could hear what was going on. I came into the bidding towards the end and nearly secured it at £96,000, but then another bidder kept bidding until I placed the winning bid.

The winning bid was £102,000, fees were £4,293.20, SDLT (Stamp Duty Land Tax) was £3,060. I had estimated £56,000 on the refurbishment and set a maximum limit on the purchase price of £106,000.

When I purchased the property, I wasn't sure if I wanted to flip it or retain as a BTL. If buying with a limited company to sell on, you get SDLT exemption if the property is a probate sale, which this was. Once I made the decision to retain the property, however, the SDLT became payable. You need to make your solicitor aware of your intention during the purchase process.

The original valuation pre-refurbishment was £140,000 and the post-works valuation was £240,000. The end valuation allowed us to get all the money we had invested back out of the deal, plus a cash sum of £13,500, giving an infinite return as no money left in the deal.

I got three estate agents to view and value the property post refurbishment and then provided their figures to my mortgage broker to see what value he could get from the lenders. We would then decide on the best option – sell or keep. We made all the paperwork available to the surveyor,

COST OF WORKS

Duration of project:	**3.5 months**
Planning costs:	**Nil**
Planning duration:	**N/A**
Total costs:	**£55,146.80**

VALUATION & INCOME

Post-works valuation:	**£240,000**

IF SOLD

Sale price:	**£240,000**
Profit:	**£75,500**

IF RETAINED …

Re-mortgage amount:	**£180,000**
Rate:	**3.64%**
Money back out:	**All of it plus £13,500**
Money left in:	**Nil**
Monthly income (per unit if more than one):	**£975**
If HMO, bills inc?	**N/A**
Monthly mortgage payment:	**£554**
Monthly costs:	**£18**
Net monthly cash flow:	**£402**
% Return on money left in:	**Infinite**

including the Structural Adequacy Certificate. The lender's valuation was completed end of March 2021 and was just £5,000 lower than one of the estate agent valuations, so we made the decision to keep the property.

I outsourced the tenant find and referencing to an agent and will undertake the on-going management myself. When it was advertised, we had three really good applications with viewings in the first week. We discussed the applications with the agent and went with their recommendation. The tenants moved in within two weeks and were delighted with the standard of the property, fixtures and fittings.

YPN: How do you manage your time with everything that you have going on with the army, the property business and tenants and the family?

Clint: I try to manage my time as effectively as possible, eg making phone calls in my lunch breaks and listening to podcasts whilst I'm out running. We have two children and one child has a disability, so things are hard at home.

My wife's getting made redundant at the end of 2021, and because we are scaling up and growing fast, she is going to come and work for the company to take over the day-to-day management of the business. Starting off it was manageable, but now I need help. I've got three years left to serve in the army, after which time I will become full time in property so I can grow and develop the business further with my wife.

YPN: What have been your key learning points from this purchase and your experience so far? What does the future look like for you?

Clint: Completing your due diligence is key, particularly for auction purchases. Make sure you get a professional to review the legal pack. Ask questions and understand why the property has come into the auction.

Knowledge is crucial as the property market is changing all the time. You need to understand changes in policy as there is always something new to learn. Adaptability and flexibility to the market is required to look at things differently in changing market conditions, approaching each opportunity on its own merits – it's not one size fits all!

Currently I'm acquiring two great deals, both below market value, with tenants in situ (requirement of the sale by the vendors); one a standard BTL, the other a block of five flats. As they are occupied, I don't have a blank canvas to be able to make changes, therefore I approached the tenants to ask if I could undertake some work. Thankfully they have both agreed.

The purchase of the block of flats has taken approximately twelve months to complete due to having to obtain deeds for the property. The vendor had owned the property for 38 years and it had not been registered. I met the vendor directly on the viewing as the agent was based in Manchester and the property is in Morecambe, and we built up a good rapport. Maintaining good communications throughout the purchase period was important.

Now is a great time to invest and take advantage of low interest rates, no-one knows how long these will be available for, or what is going to happen in the market. We also work with angel investors and always looking for investors to work with us. I plan to complete my current projects, then look for other opportunities.

YPN: As you are so very busy, what do you do to manage the challenge and stress of everyday life?

Clint: It is important to get away from the stresses, everyone has their limits. As a family we like to get outdoors and enjoy bike rides and walks. I also use golf and running to de-stress; I love getting out on the golf course with friends. I push everything to the back of my mind and concentrate on hitting the ball straight!

Hamblett Homes
Property Sourcing

Hamblett Homes
Property Investment

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Listen in to our conversation with Clint here.

NETWORK

Property Training

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Sourced Network host over 70 training days per year, covering 9 different property strategies. The training combines theoretical knowledge with practical examples and live exercises, allowing attendees to start applying what they learned from day 1.

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What makes the training different?

The training is part of the Network franchise package, providing you with a business in a box. After the training, you will benefit from the help of a dedicated support person, guiding you on your property journey.

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5 Star Satisfaction

★★★★★

Brilliant training. So helpful and clearly explained, I can't wait to get started!

Kay Andrews

★★★★★

The training has really brought light to different income streams one can achieve.

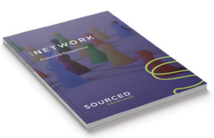
Kam Sira

★★★★★

Really enjoyed the training. Great to hear about other Franchisees' projects.

David Betteridge

Learn More About Sourced Network



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THE NAIL-BITING WORLD OF AUCTION PURCHASE DEALS!

OR ... WHY YOU SHOULD KEEP A CASH BUFFER TO COMPLETE THE DEAL, JUST IN CASE!

Interview and words: **Phil Saunders**

Stuart Thomas is based in Streatham, London with his partner, Gemma who is imminently expecting their second child. Indeed, by the time this article is published I expect Stuart to be a lot busier than usual! Stuart invests in many areas throughout the UK including South London, the North East, Leeds, Braintree and Gloucester. His combined property portfolio is now in excess of £3m.

Stuart has some successful properties in the London area, but like many investors also has interests further outside the capital city. In total, he has been investing around the country for around seven years.

London has seen a recent trend of investors moving their funds further afield in search of better yields, which is something Stuart has been doing too. There are certainly more affordable places to be operating, particularly further North. Stuart spoke to me at length about a three-bedroomed house near Leeds that was seven years old when he acquired it for only £88,500. It would be hard to imagine prices like that in London. Obviously, there are challenges with investing further afield, such as organising viewings and refurbs but an experienced investor like Stuart can take all this in his stride.

He sources around a third of his properties through auction purchases and believes it is a great vehicle for purchasing alongside the other strategies you can use.

It is important to still look at other methods of acquisition and not rely solely on auctions. This is particularly true at the moment as Stuart is witnessing a much more competitive auction crowd in the booming property market. Investors in all areas are competing increasingly with traditional owner-occupier buyers. As Stuart says: *"If someone is emotionally invested in it … then the likelihood is that they are going to put a greater numerical value on that."*

But also at the moment, auction houses have been forced to move online to continue their sales so there are no physical bids in the room. This has made the process much easier for bidders to attend and Stuart speculates this may also be another reason he has seen increased competition in recent times.

One question he always has on his mind – and something all of us should consider – is "why is this property in auction in the first place?"

"You have to determine why a property is in auction," he says. *"Why haven't they sold it via an estate agent?"*

With the very active sales market we are witnessing right now, many properties are selling for above asking price within a very short space of time. Therefore, where possible, it is good to determine the reason for the auction sale. Perhaps there are legal or structural issues to consider.

One of the best places to look for these problems is in the 'special conditions of sale' in the legal pack.

> **ALWAYS** read the full legal pack before bidding. But pay particular attention to the special conditions.

There is usually some great information

in the special conditions about why the property might be for sale at auction. A lot of the issues you find will be straightforward to fix but that isn't always the case and it's worth going into the auction with full knowledge of what it is you are taking on.

THE FUNDING BACKUP PLAN

Something Stuart also spoke about that I found worthwhile was to always have a funding backup plan, whether that be another investor ready to step in, or a bridging alternative ready to be implemented quickly. Often funding plans and requirements change as you work through the financing of a project (something that I have experienced myself) but again with auctions it is the incredibly tight timescale of 28 days to complete that can leave many floundering for funding. This can happen to even the most experienced investor, as we will find out, and another piece of advice Stuart has is to always have the **CAPABILITY** of funding an auction purchase through your own cash reserves. This is a great get-out-of-jail-free card should you require it.

Finally, one of the things Stuart taught me which I really valued was that it's good to lose an auction bid most of the time. It means you have done your due diligence. Let me explain ...

Often other people will see value in a property that you can't. Sometimes this is an over-inflated value on the property that someone has simply fallen in love with. Other times it may be because the purchaser is planning on doing the full refurbishment works themselves and can therefore afford to pay a little bit more on the day. Perhaps it is another investor who has thought of a more profitable use for the property, or a way he can extract a greater gross development value (GDV) from the project than you could achieve.

Stuart thinks he only wins perhaps a fifth to a tenth of the properties he **actually** bids on.

> "If every time you go to auction and put a bid on and you win, I would suggest you were doing something really, really wrong."

As always, it's incredibly important to do your due diligence on an auction purchase. Know your numbers. Know what the likely refurbishment cost and end GDV will be. Have a price you are willing to pay at auction and **STICK TO IT**.

THE DEAL!

Like all the areas that Stuart chooses to invest in, he knows Gloucester very well. He was once a serving Army Officer in the Royal Corps of Signals and his last posting was based out of NATO's Allied Rapid Reaction Corps (ARRC) just outside of Gloucester itself. Gemma, his partner, also grew up in Cheltenham, so between them they have a great knowledge of the area in general.

Because of this they had been increasingly focusing on this area, looking for their next project to take on. There were several factors that brought Stuart's attention to this particular deal, and why he thought he may be able to secure it over the increased auction competition we are seeing right now.

Firstly, the property was in a **REALLY** bad condition. It was a squat before coming onto the open market and there was heavy damage to the property. A lot of the pipework for the plumbing was missing, we assume to be sold for scrap metal, and there was a hole in the roof so there was a lot of water ingress. The situation wasn't helped because all the exterior gutters were missing as well (perhaps also on their way to the local scrap metal dealer).

However, Stuart thought that the poor condition would limit his competition. Such a large refurbishment project would hopefully put off some of the local owner-occupiers. Further help with this cause would be found in the difference between the property location and the auction location. The Gloucester property was to be sold at a London auction house, which would limit the number of people willing to travel (although telephone bidding was an option).

There are a few other things that Stuart looks out for that made him want to bid on this particular property. One of these being that the lot was lower down in the running order for the auction. He finds that by the bottom of the order, most people have bought by then and are therefore out of funds. He watched the auction with interest and when his choice property came up, no-one made any bids. But neither did Stuart. He waited until **AFTER** the auction to make his offer.

Case Study

157 TREDWORTH ROAD

GLOUCESTER

Stuart bought this property, a three/four-bed semi-detached house, after the buyer accepted a post-auction offer. After lots of challenges with funding, he was eventually forced to pay cash to secure the purchase. A large refurbishment was required to get the property back in a usable condition. It was in a terrible condition to start with, but he renovated the property to current HMO standards to provide multiple exits from the project. It's currently rented to a local supported living provider on a long-term arrangement.

Purchase price (post-auction under auction conditions), cash:	**£128,000**
OMV guide price:	**£145,000**
10% deposit paid on auction day:	**£12,800**
Auction fees:	**£1,200**
Solicitors fees:	**£1,500**
Abortive bridging costs:	**£1,500**
Stamp Duty:	**£3,900**
Total (personal) money in:	**£132,200**
Duration of project:	**6 months**
Refurb costs:	**£46,000**
Post-works valuation:	**£220,000**
Remortgage amount:	**£165,000**
Mortgage rate:	**3.5%**
Money left in:	**£17,100**
Monthly income:	**£1,200**
Monthly mortgage payment:	**£481.25**
Net monthly cash flow:	**£719**
% return on money left in:	**61.61%**

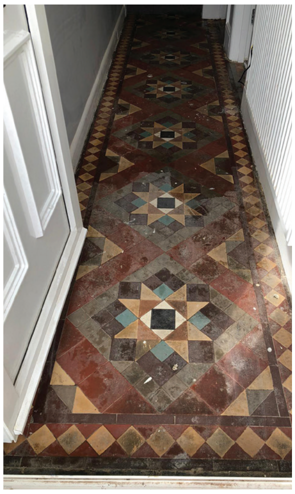
LEVERAGE

This leverages two other important points.

1. **Post auction you can find out the RESERVE price, ie what is the lowest price the seller was willing to sell for.**
2. **Having received no bids, a seller is much more likely to be more motivated and therefore more open to a lower offer.**

Stuart, armed with this new information, was able to secure the property for a price of £126,000. A reduction of £19,000 from the auction guide price of £145,000. A great result, making the entire project more viable.

When a deal is arranged after auction there can often be some flexibility in the terms. One thing Stuart often pushes for is a longer completion date, something that he was able to secure here. After hard negotiations he managed to gain an extra two days to complete! Hardly the greatest victory you might think, but with auctions, timescales are tight. Every day counts. It would turn out to be a good negotiation.



A SERIES OF CHALLENGES ...

But now began one of Stuarts biggest challenges with this deal: securing the funding.

Mortgages are not the go-to option here. Stuart recalls one of his first auction purchases whereby he went through the traditional mortgage process. The reason that people don't tend to use mortgages for auctions is that once you successfully secure your property you have only 28 days to complete the purchase or you risk losing your entire deposit and legal expenses. Stuart admits that he was very lucky to get away with it first time, managing to complete the entire mortgage process within the tight timescale. Not something he recommends!

Having learnt his lesson, Stuart opted to fund this deal on a bridging loan. Something that is usually much faster than a traditional mortgage to acquire and much more flexible. But remember ... the clock is ticking. You only have 28 days.

Problems started soon after the bridging company sent round their surveyor. Whilst the company were swift to appear, the report was not, eventually taking nine days before being completed. Precious time wasted! Now just 19 days to go.

Next, a new issue for Stuart. It turned out this property was one of a portfolio being sold off by a larger corporation based in Jersey. The bridging company was demanding independent legal stipulation that the seller actually had the legal rights to sell it. Stuart needed specialist legal advice here from a company based in Jersey about how best to proceed. It took a further week and more expense for the specialist to give their report.

12 days to go and they had a solution. The selling company had to produce boardroom minutes as evidence that the board members had discussed and agreed to sell the property. A relatively simple request you could assume. Time slipped away whilst requests were made for the minutes.

However, for some unknown reason the company flatly refused to produce any. As Stuart says: *"We've gone to auction, we've exchanged contracts, they don't have to do it, so they wouldn't do it … there was no legal requirement for them to do so."*

Out of time. Now what? Stuart lost his deposit, right?

Wrong. Actually, after the initial 28 days runs out you are then issued with your 'notice to complete'. This gives you a final warning

and a further timescale to complete. This timescale can vary but details are always in the full legal pack and in this instance, Stuart knew that it was 14 days.

Knowing this Stuart consciously allowed the seller to submit the notice. Valuable extra time. So, it wasn't game over just yet. But now what options did he have? Either he had to find another bridging company or find the cash. Not a small task in either respect.

A new bridging company would now have only two weeks to do all the work required and then he may find himself in the same position anyway. In the end Stuart managed to secure a **FURTHER** 14 days from the vendors at a cost of £2,000. This allowed him to find the funds for a straight cash purchase using his own finances – something that he has in reserve for just such a circumstance. As previously stated, it's a great get-out-of-jail-free card to have at your disposal for purchasing at auctions. Something worth considering when you are bidding.

After the major troubles with financing, the refurb was the easy part, although it was clearly going to be an extensive job.

The first order of business here was to dry out the building. Water was pouring into the property when it rained so a brand new roof and gutters were installed. Then the building could be dried out.

All the missing internal pipework needed to be replaced so a brand new central heating system throughout was required.

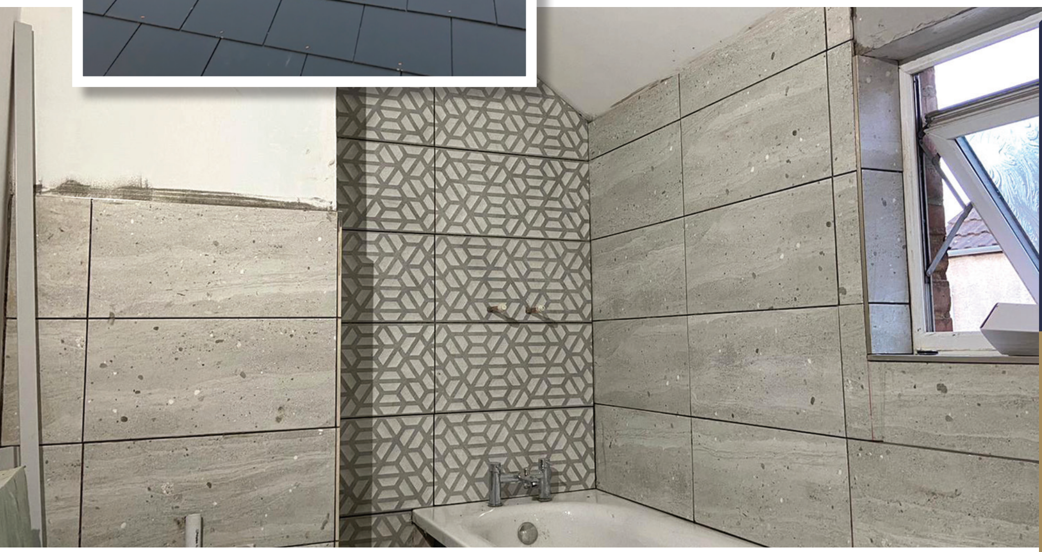
A structure in the back garden hid a large collection of used mattresses which was yet another pain point to fix. These are not easily disposed of.

During the build, one of the builders discovered some rotten floor joists that needed fixing on the ground floor.

In general though, the work went on time and on schedule. The property was completed to meet the standards for an HMO but for the moment Stuart has it rented to a supported living provider that rents a number of other properties from him. It will still work well as an HMO if he decides to go down that route in the future.

> "Stuart believes it's a good idea to have multiple exits from a project and it also makes the property more appealing to a wider range of buyers should he wish to sell at any point."

This property was full of challenges for Stuart, particularly with the funding issues he had. However, he used all of his expertise to secure the deal for a good price post auction. It really shows a good lesson for all – be wary of bidding more than the cash reserves you have at your disposal. In the end it worked out well and he managed to recycle a large part of his invested funds. He is getting a good return on his investment for the funds left in the deal.



CONTACT

As part of his business Stuart provides a mentoring service for a small number of clients each year, whether just starting out in property, growing a portfolio, or having a particular interest in the complexities of auction purchasing.

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Watch the video of my conversation with Stuart on the YPN app!


AFTER

7 THINGS TO DO BEFORE YOU BID AT AUCTION

BY AUCTION SPECIALIST **SIMON DUCKWORTH**

Buying at auction can be overwhelming when you first start, as the process is so fast and there are so many things to get right. But once you've got the hang of it, it's pretty straightforward and you may be able to bag yourself a great deal.

Before you even enter the auction room, there are seven key things to do, according to auction specialist Simon Duckworth from Triangle Property Solutions. As he says, *"It's all about preparation and knowing exactly what you're getting into."*

Here are the seven things he suggests:

1 SET YOUR INVESTMENT CRITERIA

As with any property purchase, you've got to start by identifying your own investment goals and then set appropriate criteria for your property search. Each investor's criteria are personal to them and what might not be a deal for you might be the perfect deal to someone else.

Knowing exactly what **you're** looking for is key to the process as this will help you be selective when navigating the auction catalogue. It will also stop you getting led down the wrong path when you see something that could be exciting but is way out of your league (believe me, that's easily done).

When setting your criteria, start with the following:

- **Funds available** – The amount of money you have available for the purchase and the associated works will help you understand straight away what type of project you can aim for. For example a budget of £160,000 for the purchase and £40,000 for the refurbishment could be enough to get you a three-bed semi in need of a full renovation in West Yorkshire, but you'd need significantly more funds to do the same project in London or the surrounding areas.
- **Refurbishment works** - The level of refurbishment needs to be something you're comfortable with. Look at the scope of the refurbishment and your experience and weigh up whether this is doable at this time or not. It's no good taking on a complete wreck riddled with problems as your first project, as this would just be opening yourself up for unnecessary stress and potential disaster.

  Always put the necessary buffers in place – 10% contingency on a smallish project you've done plenty of times before, and 20% on a bigger refurbishment you've never tackled before.
- **Location** – Knowing your area is really important, so you need to do thorough due diligence on your local areas to understand exactly what can be achieved. What properties are available? What's the demand for these types of properties – to buy or rent? What type of tenant or homebuyer do they attract? What prices do they bring? What's the capital appreciation been like for the last year or two? What's the forecast?

  Remember, there can be huge differences between streets just next to each other, so you really need to drill down to understand the particular street you're looking at. The neighbours, amenities, demand, prices etc can all affect your end value and your chance of being able to rent or sell it.
- **Exit** – Know your exit and plan accordingly. If you're buying to hold and rent out you may be able to spend a little more to buy the property, as putting it on a buy-to-let fixed mortgage could weather any storm, if you need it to. Flips have to be tighter as the numbers have to work in six or seven months' time when you put the house on the market. As always, plan for multiple exits just in case the market changes and Plan A doesn't work out.

> "Knowing exactly what you're looking for helps to avoid overwhelm"

2 TARGET MULTIPLE PROPERTIES IN THE CATALOGUE

The auction catalogue can contain anything from 25 to 250 properties depending on where you are in the country and the auction house you decide to use, so it can be quite overwhelming when you first look at it. Once you've got your clear criteria in your head you can approach the catalogue in a structured way, by simply looking at the properties that match your requirements. This might sound obvious, but it isn't usually what people do!

When starting out many people go into the auction room having done numbers on just one property. I don't recommend this, as the chances of you leaving disappointed are very high. Instead, it's advisable to run the numbers on all the properties that match your criteria (or at least three or four) and then approach auction day with an order of preference in mind.

Targeting specific properties means you can instantly cut your search criteria down from, say, 30 to 15 properties. Some of those might immediately be out of budget, leaving you with five or six to investigate further. So you can pretty quickly identify those you want to do your detailed due diligence on. This not only gives you less work to do, but it also gives you more purchase options on auction day and you'll be more likely to walk away with a deal.

"Target multiple properties that match your requirements to give you more purchase options on auction day"

3 UNDERSTAND THE PRICING AND WHAT'S EXPECTED OF YOU IN TERMS OF BIDDING

Guide Price

The Guide Price is the price you see in the catalogue. There are two types of guide: a fixed price guide (eg £80,000) and a bracketed guide (eg £80,000 to £90,000).

Reserve Price

The Reserve Price is the least amount of money the seller wants to sell the house for. This is usually set at 10% above the Guide. So if the Guide is £80,000, it would have a maximum Reserve of £88,000. If the Guide is bracketed the Reserve will be within the brackets, usually towards the higher figure (but not above it).

In effect, this means the owner won't sell the property unless the bidding reaches this figure, but it all depends on the demand on the day. If the reserve isn't met there's always the opportunity to negotiate the sale post-auction (we'll look at this in detail in a future feature).

4 GO THROUGH THE LEGAL PACKWITH A FINE-TOOTHED COMB

The legal pack is a set of documentation prepared prior to the auction by the seller's solicitor. A good pack contains everything you need to know about the property, including everything from land registry information and local searches to special conditions of sale, management documents, planning permissions and leases etc. Not all legal packs contain everything though, so ***it's essential you fully read through it to understand everything you can about the property and highlight any gaps that need further investigation.***

Look for things like title register and plan, leases, covenants, what current position the title is in, if there are any charges that need removing, if leases need extending, if there's any debt filed against the property, flood risk report, local searches.

Always read the special conditions of sale and the contract too. These documents contain all the applicable fees that you don't want to miss. They are often the last documents to be added to the legal pack, sometimes as late as the morning of auction day, so you need to keep an eye out for them.

It can be really useful to get a solicitor to look through the legal pack for you and there are specialist companies that do this for under £100. The solicitor will highlight any areas of concern and come back to you with recommendations for what needs investigating further. This can be really useful, but isn't always financially feasible, especially if you're looking at six or seven lots, so use your own judgment, but be thorough.

5 CALCULATE THE NUMBERS, SET YOUR MAXIMUM BID AND DON'T FORGET THE FEES

With auction purchases it's all about the numbers, and getting them wrong can be the difference between making a profit or ending up with a problem property that gives you a big headache and costs you money. We all want the former, so this stage of the process is where you need to spend the most time.

Start your purchase analysis with the end in mind. Input all the numbers you already know from the legal pack – the professional fees, buying and selling fees, legal fees etc. Make sure all of them are accounted for. Look out for numbers written in words rather than numbers, as these can sometimes catch you out, if you haven't checked properly.

Once you've got all that information you can start to gather the other numbers needed through detailed due diligence (DD). *How much is it going to sell, rent for? What will the post- refurbishment value be? How much are you going to spend on the refurbishment? What's your contingency? How much profit do you need to make?*

The end valuation or sale price is key to helping you understand what your profit margin will be and how much you'll have available to spend on the refurbishment, so **spend time researching your market** to get a really secure understanding of this, as this will inform everything else.

By the time you've done all the research and input all the figures into your spreadsheet, you'll end up with a maximum figure you can afford to pay. And the project either works or it doesn't. It can be painful when you've spent ages on your DD to realise it's not going to work and it can be tempting to play around with the numbers until it does. Definitely don't do that. Let the spreadsheet do the talking and eliminate it from your list when it says a firm 'No'.

"Always start with the end valuation or sale price as this will inform everything else"

"Let the numbers do the talking – bid with your head, not your heart"

I often see properties sell for more than they should have and it's certainly not uncommon for people to win a property and instantly regret it, knowing they've squeezed themselves too much. So you have to be disciplined with your maximum bid.

On some occasions you might think it's okay to go £1,000 or £2,000 higher than you were prepared to, just to secure it. And sometimes that can be the right move, but it depends on several factors, such as your knowledge of the market and how much contingency you really need. Sometimes the cost of missing out can outweigh the extra cost of buying it for slightly more than you had planned.

Right now, we're in a rising market so, in theory, paying a little more now shouldn't matter in a few months/years. If the value of the property could increase by 3% - 5% in six months' time, when your flip goes on the market, then perhaps you can afford to pay the extra now?

Use your knowledge of the market to steer you on the day, but only use this if you really need to.

Listen to our conversation with Simon here

6 GET YOUR FINANCE IN PLACE WELL BEFORE YOU BID

I can't stress enough how important it is to get your finances in place before you even think about bidding, or you can soon find yourself in a bit of a spin trying to pay for the property on time. Most people buy using cash (with their own funds or investor funds) or bridging finance. You can buy with a mortgage, but it's a little bit more problematic to do so and needs a lot of setting up to meet the tight deadlines. I don't recommend buying with a mortgage for this reason, but it can be done.

Important milestones to be aware of:

- **Contracts are exchanged on auction day, when you'll be expected to pay 10% of the purchase price & the auction fees.**
- **The balance is due to be paid in full four weeks (usually 20 working days) later (on rare occasions it can be two weeks so check the pack carefully). Late fees apply for late payment, but with a bit of negotiation you can sometimes get an extension of two weeks.**

7 BE PREPARED, BE DISCIPLINED AND BE PATIENT

In the current market, where demand is high and competition is quite fierce, you may find you've done thorough due diligence on several properties and you don't win any on the day. This can be disappointing, but it's just the nature of the game unfortunately. You just have to repeat the process on the next catalogue until you get the property or properties you want. The more you follow the process, the easier the due diligence process will become and the more your confidence will grow. The deal will come. You just need to be patient.

CONTACT

Simon Duckworth is a property developer and consultant, specialising in auction purchases and high-quality refurbishments. Simon works with like-minded investors to create outstanding flips and HMOs that tenants and homebuyers love, as well as offering consultancy services to help other investors buy successfully at auction.

For help buying at auction or to discuss investment opportunities, contact Simon at **simon@trianglepropertysolutions.co.uk** or find out more at **www.trianglepropertysolutions.co.uk**

NEXT EPISODE: Join Simon next time for top tips on scoping and planning your refurbishment project

ANGHARAD'S RANT

I know full well that I'm going to be preaching to the choir here, but I really need to vent about the complete and lack of support for buyers and rife misinformation by estate agents that slow down the already outrageously out-dated property purchase process even more.

A bit of background: at the beginning of the year, my Other Half got a new job two and a half hours away. After living mostly in Airbnbs, we didn't really want to rent so we decided to buy instead. It's very much **NOT** our forever home and we will be looking to move on in a couple of years, so the search was viewed through a lens of long-term suitability for BTL, but short-term suitability for us. Following? Good.

I had an offer accepted on a bog-standard, bread-and-butter, 15-year-old two-bed flat in one of the many, many new-ish estates on the edge of a large town. I'm sure you all know exactly the sort of place I'm talking about.

The information that the agent and the vendor gave us ticked all the right boxes. Two bedrooms? Check. Garage and parking? Check. Next door to Waitrose? Check.

We were told that the service charges and ground rent were £1,400 — on the higher side, but as it was a purchase of convenience (and in a popular location for BTLs), we decided to suck it up. We were also told that there were 84 years left on the 99-year lease, which was fine as it would give us time to extend it before the dreaded 80-year deadline rolled around.

HOWEVER — you sensed it coming, didn't you?! — things were not quite as rosy as they were made out to be. After receiving the property information pack from my solicitor, we couldn't help but notice a couple of red flags.

It turned out that the service charges and ground rent were actually £1,750 pa — a significant jump up from £1,400. This, plus the mortgage, meant that the monthly costs no longer looked quite so compelling … and not to mention the effect it would have on my future cashflow.

Then my solicitor told me that there were actually 81 years left on the lease, not 84. Meaning that there would be 79 years remaining before being able to extend it (as the property needs to be owned for two years prior to extension). Therefore, the price of doing so would significantly increase, as it would be under the 80-year limit.

AND then my solicitor informed me that the ground rent would double in 15 years' time, and then increase again to £1,000 pa in 30 years. (Although I don't intend to sell, you never know what might happen and this would definitely affect the future re-saleability.) Urgh, hassle! I want a stress-free and easy life, so I pulled out of the sale.

I didn't make the decision to pull out of the sale lightly. I spoke to family, friends, professionals and property investment contacts on what they would do, and they all gave me the same piece of advice: run.

When I let the agent know my decision, they were surprised and simply said that they can't check all of the lease details before taking the listing on. Any misinformation, basically, wasn't their fault. Umm … it really is.

Perhaps it's short-sighted of me, but the way I see it is like this: the agents sold me the property based on incorrect information, and therefore directly influenced my decision. Had I been armed and ready with the full picture of what purchasing this property truly entailed, I absolutely would not have put in an offer.

By not double checking that the particulars the property is being sold on are indeed correct, they wasted my time, my solicitor's time, my mortgage broker's time, not to mention the vendor's time **AND** their own time.

But what pissed me off the most was that I had to spend £300 (my first solicitor's payment) to find all this out. Had this been any other industry, there would have been consequences. For example, if I bought a pair of jeans under the impression that they were blue, but when they arrived they were white, I would have been able to get a full refund.

Yet, on the other hand, £300 is nothing compared to the tens of thousands of pounds in lease extension and legal fees.

Idiotically — or naively? — I have no record of the incorrect information being given because it was all done over the phone or in person. Now that I know how easy it is to be duped, I ensure that all information is recorded and written down. I learned the hard way not to trust a thing out of an agent's mouth (and frankly, it could have been so much worse). It also highlighted the issues of leases and flats and how little control I would have over something that, in the eyes of the law, isn't really mine anyway.

But, the ending of this story is indeed a happy one. After several unsuccessful viewings and agents not giving a sh*t about buyers in a rising and bubbling market, I was ready to draw the line in the sand for the purchase and rent for a while. We had one last viewing booked, and lo and behold, it was the perfect two-bed semi-detached house. No leases. No chain. No hassle.

Except for the avocado bathroom suite, but I'm sure that'll be another rant for another day …

Angharad

ENSUITE BATHROOMS INCREASE RENTS

AND INSTALLING THEM DOESN'T HAVE TO BREAK THE BANK

Martin Rapley shares his tips for how to install ensuites on a budget to satisfy demand and increase cash flow.

Interview and words:
Heidi Moment

There's no doubt adding an ensuite bathroom to an HMO can attract more tenants to your property and increase your rents, but how do you go about it and how far do you go? To answer those questions you need to examine a few things.

RESEARCH THE MARKET

Having a good understanding of your market, what your tenants are looking for and what rents can be achieved are key to the beginning of this process. We bought this four-bed property that was currently being run as an HMO in Dover. At the time we didn't know much about Dover as an investment area but we knew from research that landlords were at least six or seven years behind the times, so we knew we could be competitive in this space with minimal effort.

The area surrounding the house had recently been developed, with the local council ploughing money into new infrastructure, a new cruise liner terminal and shopping and entertainment centre, so we knew there would be an increase in jobs for blue collar workers and plenty of demand for HMO rooms.

WHAT TENANTS WANT

Experience tells us HMO tenants stay longer if they have larger rooms and better facilities. They generally don't want to share a bathroom with more than three people, and, of course, having their own bathroom is preferable. So, we approached this property with a plan to add as many bathrooms as possible to give us an advantage over the competition. The previous tenants were paying £300 per month per room. The test for us was to see if we could add value through the ensuites and increase rents by 15%. If we could do that we'd look to invest further in the area.

DESIGN

Three of the existing bedrooms were big enough to get ensuite shower rooms in and the main bathroom was so big we decided to chop it in half to create a further bathroom and add a bit of space into the adjacent bedroom. So each tenant either has their own bathroom or they share with one other person.

> "Plan each room separately to get the most out of the space"

Photo credit: Paul Darvell, Landlord Photography

BEDROOM SIZE

Due to HMO regulations a double bedroom area needs to be no smaller than 10.22 square meters **AFTER** the ensuite has been put in, so sometimes you've got to be creative with the space to ensure you can get all the furniture and the ensuite in and still leave some room to move about. If you're lucky enough to have huge rooms you can also have reasonably spacious ensuites, but it's not always necessary. A tenant would rather have a tiny ensuite than no ensuite at all and that's important to bear in mind when planning your space.

PLUMBING CHANGES

When considering installing ensuites you have to figure out if the existing boiler will have capacity for all these new bathrooms and whether or not you need a bigger boiler to accommodate all the extra usage. Now, it's unlikely all the tenants will want to take a shower at the same time, but you may want to plan for that scenario just in case.

When we bought this property the boiler was relatively new and installed with the purpose of heating up enough water for a bath and the kitchen sink. Our plan was to take out the bath and replace it with four showers, which use less water. So although the plumber would have loved to upgrade the boiler for us, he agreed the combi boiler we had was sufficient for what we were doing, so no upgrade was needed, which helped us to keep costs down.

You've also got to consider the journey of the waste. Where will the drainage go? How easily can you access the soil pipe or do you need to install a new one?

Sometimes this can cause problems, especially if the main soil pipe is on the other side of the house and you have to try to connect to it. But use your space wisely. Here we were lucky enough to have a passageway that ran from the front to the back of the house at ground floor level. We positioned all of the ensuites over that passageway, so the soil pipes run along the ceiling in the passageway and connects up with the old soil pipe in the back corner of the house. It's all boxed in, of course, and you can't even tell it's there.

"Choose your suite according to your tenant type"

CHOOSING THE SUITE

We typically buy our bathroom suites from Victoria Plum. Their products are good quality and with a trade account you get a few nice little benefits – like more rigid delivery times, they'll let us know if there's end of range stock available and we probably get a bit of a discount over the list price.

Taking into account our target audience and the fact that the competition has no ensuites at all, we kept it simple, opting for products towards the bottom of the range. Having so many bathrooms in one property we knew the costs could mount up quickly if we weren't careful and we felt that this standard was good enough for the market we were aiming. There is nothing wrong with doing this, they're still quality products and it certainly helps with the budget.

SHOWER ENCLOSURES

The only thing we didn't go bottom of the range on is the shower enclosures. Cheap shower cubicles are made of plastic, which look weak, don't last as long and the doors don't always fit properly. So instead we went with a low range glass cubicle. Initially they don't look any different, but over the years, the glass stays cleaner and brighter than plastic, so it's definitely a better option.

You buy shower enclosures in parts, starting with the shower tray, then the doors or screen. There's usually a range of products you can mix and match to suit the style you want and the space you've got.

All of our ensuites were different shapes so we couldn't just buy four of the same units. Instead we had to plan each one separately to make the most of the space in each room.

SIZE DOES MATTER

When planning the ensuite you generally need at least 1.5m^2 to be able to get everything in, ideally a bit more. You need about 650mm square for the toilet, 800-900mm square for the shower and 500mm square for the basin, but don't forget circulation space.

An 800mm square or 900mm quadrant unit is the smallest we aim for, but on this occasion we had to use an 800mm quadrant in one ensuite due to the size of the room. One ensuite had an 800mm square unit, the big bedroom had an 800mm x 1000mm unit as that was the size of the alcove it fitted in and the shared bathroom had an 800 x 1000mm offset quadrant unit.

Product:	**Orchard range doors and screens – 6mm glass**
Supplier:	**Victoria Plum**
Cost:	**Single door £119**
	800 quadrant enclosure £124
	Offset quadrant enclosure £143

Photo credit: Paul Darvell, Landlord Photography

BASIN

Basins often need to be small in ensuites as they can get in the way if they stick out too much. We went for basins with rounded edges, so there are no angular bits to bang into. And they're wall mounted so they don't feel as though they're encroaching into the room.

Product: **Grohe Bau 450mm wall hung basin**

Supplier: **Victoria Plum**

Cost: **£70**

> Added storage helps to eliminate clutter

Photo credit: Paul Darvell, Landlord Photography

Image © Victoria Plum

TAPS

There are so many tap options available, but don't get over excited. A tap is a tap. It needs to look nice but most of all it needs to be functional. Definitely avoid the cheapest, as they look like they belong in a school or hospital, which probably isn't the look you're going for! Here we've gone for fairly entry-level feature taps. Definitely don't use waterfall taps, as they're really hard to clean and not suitable for this type of property. Also, bear in mind you don't want a fast power tap for such a small basin, as water will just spill out everywhere.

Tap Product: **Orchard Eden mixer tap**

Supplier: **Victoria Plum**

Cost: **£53**

LIGHTING

Spotlights recessed into the ceiling provide the best lighting option for bathrooms.

They're clean, bright and out of the way. We got these supplied by the builder, with white surrounds but chrome is also available. If you can't access the ceiling or just want to keep it simple then you can use a simple glass globe for £10. Remember tenants don't generally look at the ceiling when viewing a room, so what the light looks like is less important than a nice bright room.

Photo credit: Paul Darvell, Landlord Photography

STORAGE

There's never enough storage in bathrooms and they can often appear cluttered and messy, which can put potential tenants off when you're showing them around. Again, we had to work with the space in each bedroom, which led to us having two solutions – in the shared bathroom we included a vanity unit with sink on top and storage below and in the smaller ensuites we had a wall-mounted sink with a slim-line mirrored cabinet above.

Victoria Plum (VP) didn't have any vanity units that worked so we bought the suite (shower quadrant, basin and toilet) from VP and the vanity units from bathandshower.com. Mixing and matching from different suppliers isn't usually a problem but needs a bit more co-ordination to get right.

Product: **Blanco Gloss Grey 55cm vanity unit & basin**

Supplier: **bathandshower.com**

Cost: **£133**

Photo credit: Paul Darvell, Landlord Photography

TOILET

Toilets are a pretty standard size (around 650mm), but if space is an issue you can get a short projection toilet that doesn't stick out from the wall so much. We used one that was 600mm in the smallest ensuite. They're a bit more expensive but worth paying if you need to save some space.

Product: **Orchard Thames & Orchard Elena short projection**

Supplier: **Victoria Plum**

Cost: **£76 & £103**

HEATING

It's not always necessary to have heating in your bathroom if the rest of the bedroom is well heated and the bathroom is on an internal wall, but where we can we try to install towel rails that are plumbed into the heating system. Here we installed chrome rails and even had room in the smaller spaces, although we had to be a bit creative putting the rail above the toilet.

Supplier: **Screwfix**

Cost: **from £40**

Photo credit: Paul Darvell, Landlord Photography

FLOORING

Vinyl sheet flooring is great quality, looks good, can stand a few spills (unlike laminate) and isn't hugely expensive. It's available in a variety of different styles and colours so it's very likely you'll find something to suit the style you're going for. For this one we just wanted something simple. Our only specification was 'grey' to go with the other features, which meant when my flooring contractor said he had some going cheap we managed to get a great deal.

EXTRACTOR FAN

None of the ensuites have got windows, so instead they've all got two speed extractor fans, which turn slowly continuously, then when you turn the light on, they go up to full speed. Even though they are more expensive we find these are best for rentals as they move air around the bathroom and bedroom continually, which helps to cut down on condensation.

Product: **Greenwood CV2GIP Unity White Low Energy Silent Continuous Running Fan**

Supplier: **Various**

Cost: **£70**

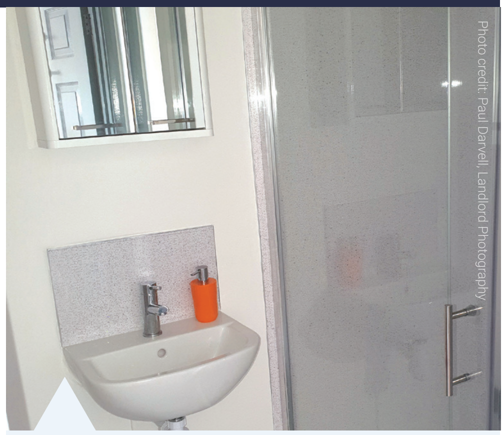


Photo credit: Paul Darvell, Landlord Photography

SHOWER PANELS

We use Multipanel boards in the showers. On this occasion we chose a two-tone style, plain white on one wall, and a speckled effect on the other. We also cut one down to create a splashback behind the sink. The benefit of these panels is they come in large lightweight sheets that are simple to carry and easy to work with. They go up really quickly, they've got no grout to get mouldy, no water gets behind them and they're so much cheaper than tiles. Also — and this is the best bit — a carpenter can fit them, so you don't need to employ a tiler, which can often be a bottleneck on a project, especially if you're doing multiple ensuites.

Product: **Multipanel White and Blizzard**

Supplier: **Plumbers and Builders Merchants**

Cost: **approx £100 x 3 sides (tiles of a similar quality would be £150 or more)**

Fitting cost: **approx £100 (tiles would be £250 or more)**

Comparison to tiles: **Multipanel approx £400 (tiles from £400)**

Photo credit: Paul Darvell, Landlord Photography

MAINTENANCE

If installed like this, an ensuite bathroom shouldn't increase maintenance levels in your HMO, so you can rest easy that you won't be getting calls from tenants with constant issues. The biggest issue will be ensuring the tenants keep on top of the cleaning and you can pick this up on your inspections. Panels are far easier to keep clean than tiles so these shouldn't be a problem. Although, there are lots of little nooks and crannies in the shower screens themselves, so these might need a good clean in between tenants but no more than a normal bathroom would.

THE RESULT

After installing these bathrooms, completing the refurbishment and marketing the property our rooms proved to be really popular and we managed to rent the largest ensuite room for £575, this was significantly more than the previous rent of £300 and much more than the 15% we were hoping for. It was also at least £100 more than other rooms we'd seen advertised. So our test was without a doubt successful and we're on with HMO number two in the area right now.

REFURBISHMENT MASTERY

CONTACT

Contact Martin directly with your refurbishment questions, on:

martin@refurbishmentmasterclass.co.uk

CHASING THE SHINY PENNY
WHERE TO INVEST?

ARSH ELLAHI

Dear Arsh,

I have been investing in property and it has treated me relatively well. However, I can't help but notice the noise of other investments … especially cryptocurrency!

Have you invested in this? Could you share any advice?

Mr H – Liverpool

This is a timely question and thanks for reaching out!

We are at a time, where there are lots of other alternative investments showing healthy returns, and also look very attractive. Such investments include, cryptocurrency, stocks and shares, watches, classic cars, not to also mention wine.

In property, it can be a slow burn, but ultimately it is a safe investment. By this, I mean it is a commodity/asset that you can touch and feel, and you know that any fluctuations won't be extremely dramatic or instant. If the price does decrease slightly, it will not go from £100,000 to £0 within the space of a day, whereas we have seen this happen recently in the financial markets. It is also quite a common occurrence in the financial markets and can be influenced by something as simple as a social media post (more on that later). However, you cannot ignore the fact that there is also a lot of money to be made in the money markets if you are careful with your investments and your spread of portfolio.

Referring back to my own investments, I would like to think I have quite a diversified investment portfolio. At present, I have funds invested in:

- **Property**
- **Stocks and shares** (I do not do short in and outs, I am in this for the long term)
- **Watches**
- **Classic cars**

I treat all my investments as long-term investments. I put money into property, and it trickles out a certain amount of cash flow every month, pretty much without fail, which I think is quite safe. I use some of the cash flow generated to invest in alternative and slightly more aggressive investments, such as stocks and shares.

While I have previously invested in and sold out of shares on the same day and made some decent returns, I don't mind admitting that I have lost some money along the way too. When the markets crashed in 2015, I lost the best part of £50,000 overnight … which made my eyes water a little. Now, I only invest in large blue chip companies and banks such as Lloyds.

I suppose it all depends on your attitude towards risk. Those who are more risk averse will tend to steer away from the strategies that are hard and fast, such as cryptocurrency. Over the past few years, many property investors have enjoyed and suffered the highs and lows of the crypto market. I for one have been watching it carefully and have many times thought about jumping in and join the hype.

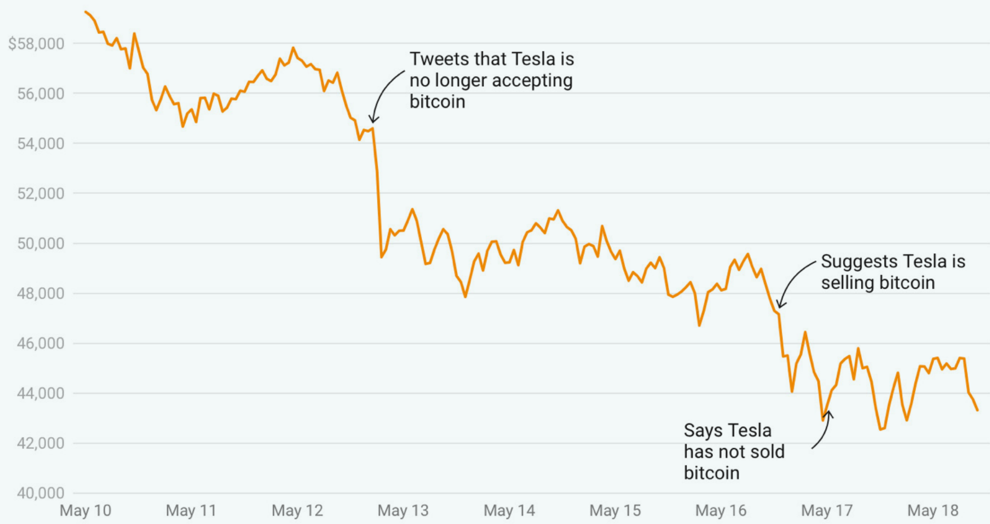
What kept me pulling away was the fact that I do not like the volatility of it. An example of this is the recent downward spiral when Elon Musk tweeted at the start of May 2021.

> Tesla has suspended vehicle purchases using Bitcoin. We are concerned about rapidly increasing use of fossil fuels for Bitcoin mining and transactions, especially coal, which has the worst emissions of any fuel.
>
> **CRYPTOCURRENCY IS A GOOD IDEA ON MANY LEVELS AND WE BELIEVE IT HAS A PROMISING FUTURE, BUT THIS CANNOT COME AT GREAT COST TO THE ENVIRONMENT.**
>
> Tesla will not be selling any Bitcoin and we intend to use it for transactions as soon as mining transitions to more sustainable energy. We are also looking at other cryptocurrencies that use <1% of Bitcoin's energy/transaction.

Elon Musk announced that Tesla would no longer accept Bitcoin (BTC) as payment for its environmental impact. This caused a collapse in its price, losing 15% in value in less than 24 hours.

Bitcoin fell over 30% but it is worth noting that it still remains at 300% over the previous year (at the time of writing). Personally, I do not like the thought of someone mentioning something on social media and within seconds, hundreds/millions of pounds can be wiped off from your portfolio. It certainly isn't for the faint-hearted!

Certainly, I can see the returns it can make, but you definitely need to ask yourself whether your funds can work in a more stable position elsewhere.



For me, I found this in watches – although you will never hear me speak or even see them on me, I invest in watches which are limited in their production or are about to become obsolete. Here's an example …

I purchased a watch for £28,000 in 2019 and, within the space of 12 months, was valued at just over £100,000. For me, this is a tangible asset that will not fluctuate hugely, and providing you purchase the right time, pieces can only really go one way. It is worth noting that purchasing is the easy part, if you were looking to dispose of them, it may take a little longer. However even on the grey market, I could very easily sell the timepiece for circa £80,000 – almost 20% BMV (in property terms) to a cash buy company (watch dealers) and I will still have made a fair amount of money from it without a huge level of risk.

What is even more attractive about this style of investment is that they can be financed with the right finance companies – sometimes even at 0% (interest free) — meaning that it truely is a win-win scenario.

This alone should provide you with the comfort that it's is a relatively low risk investment with a high return. It can also be done with smaller amounts. Another example being I purchased a watch for £7,000 (it had a long waiting list) and is now worth £16,000 at the very minimum.

The same can be said for classic cars – although this is more niche and the disposal of such vehicles is a small and narrow market. Again, buying is easy and selling is only dependent on finding the right person who wants that specification. This may suit someone who has a little more appetite for higher risk investments. However, I should say that this investment vehicle brings me great pleasure as I get to own and drive around in some wonderful classic vehicles.

So, there we have it. Alternative investing is possible and your attitude will depend on the style of investment you want. I should be responsible here and say that you should only invest the amount of funds that you were prepared to lose. And as demonstrated above, investments can go down as well as up, so be prepared.

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

CONTACT

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

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

45 WAYS TO BUY PROPERTY
LETTING AGENTS, AUCTION HOUSES AND COMMERCIAL AGENTS

With Rick Gannon

Hi everyone and welcome back to my article – this month we are continuing with the deal sourcing theme to help you get ideas on how to get more leads into your business.

LETTING AGENTS

One way of sourcing property through letting agents is by asking them to let you know if one of their clients is looking to sell. Most letting agents would like to keep the business of managing the let, so they would like to think that by telling you about potential deals, you would then reciprocate and keep the business with them.

Letting agents would also like to secure a rental tenant for their properties. They might be interested in renting out properties to you, and in return, you will manage it and it rent out for a profit. This is called rent-to-rent. To make it worth your while, you need to generate enough of a profit, so it lends itself quite well to multi-letting (HMOs) and serviced accommodation (Airbnb/ booking.com guests).

However, be careful about how you approach letting agents if you are trying to secure rent-to-rent properties. It's best to approach them if you have a surplus of tenants, and so nothing changes on their end apart from you now being responsible for referencing. You will make the agents' lives easier by micromanaging the tenants, and they will take their fee from the landlord's rent. Remember, they are used to doing things in a certain way and will already have a system that works for them.

If you are approaching letting agents to buy a property, then it is a good idea to send them some business cards, as in method number seven. They may know of some landlords who are tired of maintenance, want to retire or are in bad health and are looking to sell.

Also, you could try and attend NRLA events to network with agents.

Consistency is the key, keep front of mind. It will take several contacts to build the relationships.

AUCTION HOUSES

Auctions have been popularised by TV shows such as Property Ladder and Homes Under the Hammer. Hundreds of amateur investors turn up at these auctions, but unfortunately, they often have a tendency to pay way too much.

People put properties into auctions in the first place when:

1. There is something wrong with the property – it's a lemon! Structural defects, poor location or mortgages are not available.
2. The vendors are hoping to get an inflated price, and that once the auction momentum builds, people will keep bidding for more than it is worth.
3. They want to sell fast and typically want the cash out of the property.

To get a bargain at auction you need to buy at the right price and not get carried away. Work out the maximum amount you are prepared to pay and walk away when bidding goes over that price.

Before you go to an auction make sure you have your finance in place and get your solicitor to check the legal pack of the property, which is normally available before the auction. As the hammer falls you have exchanged contracts and are legally committed to complete.

Although sometimes this doesn't happen and things can go wrong, there is usually only 24 hours to pay the deposit, so you need to have it ready. Depending on the auction house, they might take your payment details beforehand.

You should also try and do a site visit to check the house out before bidding on it, because any defects or issues will all be your problem once you have bought it!

A site that is great for finding auction property is EIG Group **www.eigpropertyauctions.co.uk**. As they say on their website, they have virtually all the property for auction in the UK. The website lists all the auctions that are happening, and there are hundreds taking place every year. The site also has an "unsold lots" filter. Imagine how motivated would these vendors will be. You can always try and buy pre-auction too.

STORY

We were trying to buy a property from a motivated landlord, but he put it into auction. However, it never made it so we asked why. It turned out that the landlord had sold his house pre-auction because the buyer said that they wouldn't make an offer at auction. Apparently, they only bids beforehand and promises to complete before the auction, but will never actually bid in the room. It's an interesting way to buy cheap property!

The agents were completely on board with it and informed us that this buyer did it all the time. It's all about tracking the properties and building a reputation, so once an agent has seen it done once, you can repeat and repeat.

Investing in property in the sense of spending money is very easy. Getting a significant and attractive return on that investment is another matter altogether. It requires a hard-nosed business approach from the outset and one that you will need to maintain throughout its entire duration.

There are some deals to be had from auctions you just need to be careful. Best of luck bidding!

COMMERCIAL AGENTS

The world of commercial property is based on the investment value or yield a property can give a business or investor as income. In fact, many pension funds and diverse investment portfolios rely on commercial property within their portfolios.

When we look at commercial property online, the commercial agents are there to find as well as sell commercial property. These specialist agents are often professionally qualified to deal with the complex area of commercial property arrangements, leases, contracts, management companies, conditional contracts and other complex financing arrangements. This means that, generally, commercial agents are not so great at marketing properties, and are often too focused on the detail of the deal.

Due to the fact that a business is often running from a commercial property, they don't usually have "for sale" signs or other marketing material outside. They're often sold without public knowledge, and even sometimes without the tenants' knowledge that the building is for sale. Therefore some commercial property is sold with tenants in situ, and very often, these tenants are businesses or other commercial occupiers.

When buying a property, we tend to rely on the economic rule of supply and demand. Buyers will pay more for something that is limited by supply, and the more potential buyers there are, the more a price will be pushed up. If, however, a property is poorly advertised or marketed, then there will be fewer buyers because fewer people will know about the property being available.

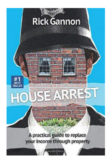
You can find commercial agents that have properties under one title split or an owner owns a block of them. Buying units above a shop can work well, but you will need to try and obtain commercial finance.

The Property Estates Gazette has a portal called Property Link (**propertylink.estatesgazette.com**) which brings together most of the commercial agents. You can create an account to set up some search criteria, and see what's available in your area. I hope you have picked up some tips here, and I look forward to seeing you back here next month for more ideas on how you can source property.

That's it for this month. I hope you continue to get value from these articles, and I can't wait to catch up with you next month.

Rick

Rick is the author of **"House Arrest: A Practical Guide on How to Replace Your Income through Property Investing".**



THE BLUEPRINT

HOW WE MADE SEVEN FIGURE RETURNS IN THE MIDDLE OF A PANDEMIC

OBSERVE THE MASSES AND DO THE OPPOSITE

Welcome to July's edition of YPN magazine. I hope you're all enjoying a slow but steady return to normality.

The main message I'd like to convey is that great challenges bring great opportunities. During the pandemic, we wanted to make sure that it was the making, not the breaking, of all our businesses under the PPN UK group and for our 125 clients on Property Entrepreneur.

Having this approach allowed us to create an additional seven-figure return, through what could otherwise have been a very challenging period. In this article, I am going to share the blueprint that we used to execute this with you, so that as we head into the Bounce Back Boom of 2021 and beyond, you can achieve exactly the same.

THE PROBLEM: COVID-19 PANDEMIC

I don't need to remind everyone how much of a challenge the last 12 months or so have been. However, it was in the initial period of the pandemic panic that we made the decision to use this as an opportunity to capitalise on every challenge we faced.

Whilst PPN UK is an established, high-performance national organisation, we approached the pandemic as though we were a start up. Everything was reactive with a fast response, but each choice was highly strategic. Our mindset as events unfolded was simple: there are no problems, only solutions. This is a key teaching we encourage all of our Property Entrepreneurs to apply in good times and bad.

THE BLUEPRINT

The blueprint we use is unique, proven and has enabled us to build PPN UK into one of the UK's leading property groups. PPN UK has been in the top 2% of fast-growth companies for the past five years and has won an industry award every year for the past seven years.

I've been teaching this blueprint since 2013 on Property Entrepreneur. It has enabled our clients to go from one-man bands being eaten alive by their businesses, to creating systemised, scaled-up companies that are market-leading and award-winning.

As a property landlord, investor or entrepreneur, there are five problems you need to overcome and this plan will help you do so.

1 Strategy

Most entrepreneurs live their life with a lack of clarity on what they're doing. As we headed into the pandemic, we were very aware that we needed to get absolute clarity on the situation. While the rest of the economy faced great problems and challenges, PPN UK used the opportunity to shift gears to observe the masses, and do the opposite.

It involved appraising every angle of each situation to find out what we could do to diversify or how we could change tact to capitalise. Following our new mindset (there are no problems, only solutions), it was all hands to the pump and business as usual … just with higher risk management and a faster changing strategy.

2 Systems

The second problem most entrepreneurs face is a lack of efficiency and automation in their business.

We looked at opportunities to increase our efficiency, reduce our operating costs, and increase our net result. Thankfully, PropTech is an industry on the crest of a wave and there are fantastic opportunities to introduce more efficient and automated systems into your business when you allocate the time to find them.

During the pandemic, many businesses were motivated and so there were a lot of great deals on offer. We took advantage of them and secured new contracts with upgraded software that we otherwise wouldn't have looked at. As there was a period of downtime, it gave us plenty of time to get these onboarded and integrated.

Heading into the months ahead, what PropTech and systems do you need to introduce to your business?

3 Finance

The third part of the blueprint is overcoming the problem of a lack of capital or cashflow.

Money is needed at any time, but especially in the middle of a recession and a pandemic. Businesses don't die from a lack of profit, they die from a lack of capital, so we decided to recapitalise using a number of highly niche and strategic models.

Depending on what stage the economy is at in the cycle, capital will either be needed to generate returns or it will be a resource. We used mortgage holidays, deferments and Bounce Back Loan Scheme (BBLS)/ Coronavirus Business Interruption Loan Scheme (CIBLS) to raise a £500,000+ safety net in a matter of weeks.

In addition, we restructured our model for private investor and development finance based on the change in appetite and risk profiles of many of our clients and partners.

4 Recruitment

The next problem many property entrepreneurs face is a lack of capacity.

Again, here we *observed the masses and did the opposite*. Whilst other companies were downsizing, furloughing staff and making people redundant, we saw it as an opportunity to keep all of our team on to continue to develop our businesses. We also went on a talent drive to recruit over a dozen new people.

During economically challenging periods, talented people are often more readily available at more competitive rates compared to the boom period we are now entering. This is a great opportunity to take advantage of.

5 Marketing and Sales

The final problem many entrepreneurs face is a finding strong pipeline of high-value leads and highly lucrative deals.

Whilst the property market was temporarily locked down, we put our new mergers and acquisition strategy into action and looked for opportunities to do direct-to-vendor deals, both with our merger and acquisitions businesses and in property.

In exchange for the certainty of sale over the price, we secured discounted sites by buying cash and doing various deals unconditionally to get them done quickly. We acquired some fantastic opportunities that were not available pre-pandemic and that haven't seen since.

THE RESULT

Having executed our unique and proven blueprint approach with a positive mindset, we were able to, in addition to our normal business operations, secure the following opportunities that would not otherwise have been possible:

- **Virtual studio — £3,000: When our events went from physical gatherings to virtual meetings, we applied to our local growth hub for a Covid recovery grant of £3,000, which paid for a studio at head office.**

- **Radford Road — £43,000: This was an HMO that had established use and a licence, but no certificate of lawfulness. We bought it at a very cheap price for cash and took on the risk of the missing certificate. When the property market came back hot, we flipped it on for a £43,000 profit.**

- **Main Street — £50,000: I used to own and live in this house. It's very unique and needed a niche buyer. When the stamp duty holiday was announced and fuelled the market, I listed it at £50,000 more than the pre-pandemic market value and it sold to the first buyer on the first offer.**

- **Fireworks factory — £54,000: This site had previously sold three times but kept falling through. We offered to buy it with cash at a discount and unconditionally without planning. We successfully secured full planning and packaged the site up for a £54,000 fee to one of our clients. (Although I now wish I'd have bought it myself! Can't win them all I suppose …)**

Property Entrepreneur Rooms for 2022 — £100,000: With the understanding that in a down market you can buy things cheaply, we approached The Belfry Golf and Spa Resort when they had no bookings and secured rooms up to the end of 2022 at the same prices we paid two years ago. Now the market has returned, The Belfry is at capacity and the inflationary pressures on the price have pushed them through the roof. If we were to attempt to book these now, not only would we be unable to secure them, but they would cost over £100,000 more than what we paid during lockdown.

No-Money-Down Merger and Acquisition — £100,000: Using a very advanced and creative no-money-down strategy, we were able to buy a £100,000 business that cost us £6,000 in legal fees during lockdown by using Bounce Back finance. We exchanged on the Wednesday, raised the finance on the Thursday and completed on the Friday.

Wycliffe Mill Business Centre — £700,000 to £900,000: We purchased this property pre-auction before the pandemic. However when Covid happened, both investors decided to pull out and exit the deal. We used this as an opportunity to capitalise by buying out the investors, took the property on ourselves and partnered with CrowdProperty to finance the development. The total spend on this site was around £1 million and is currently on the market for offers between £1.9 and £2 million.

Waterloo Crescent — £520,000: We purchased this site in 2019 and had three failed planning applications. Due to the pandemic, we were able to approach the Head of Planning directly and obtain planning for a 28-person, 18-bed HMO bedsit-style hostel, which we leased to an housing association. We spent £480,000 in total and have just accepted an offer on it for £1.08 million, returning a 100%+ ROI of over half a million pounds.

BBLS/CIBLS — £500,000: In addition to the above returns, between the BBLS and CIBLS we also raised over £500,000 in liquid finance, giving us the short-term liquidity and medium-term resource to ensure this was the making, not the breaking, of us during this period.

The total net result of executing this blueprint, observing the masses and doing the opposite and having a solution-only mindset was a total gain of around £1.68 million plus £500,000 in government-backed liquidity.

These opportunities would not have been available before Covid and they unlikely be available afterwards. This is a fantastic example of how, with the correct plan and mindset, you can capitalise in a period of challenge.

DID YOU MISS OUT?

It's easy to look back at the past 12 months with hindsight and think there were great opportunities and we wish we had done more. However, looking forward, our strategy can be executed in any time, any market, any sector and by any business.

You may have missed the first phase — the rescue period — of the Bounce Back Boom, but as we move into the next two phases of recovery and rebuild, the opportunity is still there to replicate these results.

By putting this blueprint into effect, like many of our Property Entrepreneurs did through the first phase, you can make the most of this unique window of opportunity to achieve similar results during phases two and three over the coming months.

The 2021 Bounce Back Boom report details the five incoming waves, which will help you to take your business further and enable you to create generational wealth throughout 2021 and beyond. Visit **www.bouncebackboom.co.uk** to download it for free now!

ATTEND OUR EVENT - YPN VIP

We're pleased to announce that we have now confirmed the dates for our four Property Entrepreneur Blueprint events. There are only 120 spaces available and we have been oversubscribed every year since 2013.

www.Property-Entrepreneur.co.uk

Our Blueprint programme is £3,997 plus VAT, however with the discount code **YPNVIP** you can be our guest and receive a 50% discount, *and bring a life or business partner for free*.

This works out at over an 80% discount and only £1,997 plus VAT for you and your guest to spend three days at The Belfry Golf and Spa Resort learning about our programme, which has delivered the above results and has produced some of the UK's market-leading and award-winning property entrepreneurs year on year.

The incoming Bounce Back Boom will provide a unique opportunity and time that will not be seen again for a generation.

Those who make it now, make it big.

Success and failure are both very predictable, and once you have the blueprint, all you need is the execution.

I look forward to seeing you at The Belfry for one of our events in the coming weeks.

All the best till then, *Daniel Hill*

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DON'T WAIT TO BE "DISCOVERED"

By **Rupal Patel**

In all of the public speaking, coaching, and writing work I do, I often get asked by clients or friends "how did you do that?!" And by "that" they are often referring to the things that I have done that have given me a bit of exposure or positive recognition: coverage in international magazines, regular columns in industry-leading publications (like YPN!), interviews on radio, invitations to speak at corporate events, places on conference panels, and awards or other accolades.

And every time I get that question, I smile because I used to be in awe of the people around me who had all that too. I would think "WOW, they are so amazing" and then very quickly dismiss myself as never being capable or worthy of getting that type of exposure, recognition, or PR.

And it wasn't until a few years ago, when I spoke to one of my close friends who was named one of Forbes' "30 Under 30", that I started to see the way things really work. I'll share my "ah-ha" moment with you via a story ...

When I was 12 years old, I was desperate to be a supermodel. I remember reading in Seventeen Magazine that Nikki Taylor had been discovered while she was waiting at an airport, so for *years* after that, every time I flew, I would get breathless with desperation for some talent scout to pluck me from the traveling masses and plaster my face on billboards and magazines. (Thankfully — and no disrespect to supermodels — my older sister reminded me that I have a powerful brain and should do something more meaningful with my life. Phew!)

But that idea that I had to "be discovered" stuck with me. I wasted a good few years of my life, even as an adult, waiting to be chosen, wishing for recognition, waiting for nominations, and wishing for accolades. And I wasted even more of my life feeling deflated when they never came.

WHAT AN IDIOT

Because what I realised with time and experience (and that conversation with my friend), is that the world doesn't work that way. We are led to believe that if we are good at something or have something to offer or create something worth sharing, that others will magically find out about it and find out about us. "If you build it, they will come" and all that.

BUT THAT'S UTTER NONSENSE.

A lot of the time, the people on things like Forbes' lists get on those lists because they *apply* to be on them. A lot of the time, the companies that win awards are the ones that *put themselves forward* for the awards. A lot of the time, the speakers who deliver key notes at conferences are the ones who *pitch themselves* as speakers.

They're not discovered. They **do the work** and give themselves a chance, instead of relying on chance.

If I had really wanted to be a supermodel all those decades ago, I should have gotten a headshot, gone to auditions, thrown my hat in the ring and done the work — and kept doing it and kept auditioning — instead of being passive-depressive about it.

Because as wonderful as we all may be and as much as we all may do, no one else is keeping track. No one is tallying all the amazing things we accomplish. No one is talking about our many wonderful ways of giving back. And they (almost) never will.

For example, over the past few years, I have volunteered 800 hours (yes, 800 hours) of my time to my business school through free mentoring, coaching, and workshops. Is anyone chasing after me with a medal for my service? Is anyone nominating me for some sort of recognition? No, and no. But, if there is ever an opportunity to nominate myself, will I do so? Yes. And, of course.

Does that make me a self-promoting jackass? No. Because I did the work. I volunteered the hours. I didn't do it so I could get recognition, but if the opportunity to be recognised arises, then I'm going to recognise myself for how much I contributed and put myself forward.

That's what we **all** need to do. If you did the work, apply for the award. If you meet the requirements, put yourself forward. If you lived the experience, pitch for the story.

If you have the product, ask people to buy it.

There is nothing holy about obscurity. There is nothing holy about anonymity. And there is nothing *un*holy about *not* staying obscure or anonymous.

Put yourself forward. Put yourself out there. Put yourself in the race. It doesn't mean you will always get what you want. But trying sure as hell beats waiting for someone else to discover what is wonderful about you or your business when you already know it is there.

Hopefully by now, dear YPN reader, you've realised that I like to tell it like it is. I share what I learn so that you can take whatever resonates with you and apply it to your own life and/or business (or both!). But you have to do the work. You have to take the steps. You have to come up with the plan and then execute it. Nothing will happen if you wait for it. But you will amaze yourself with how much you can make happen for yourself if you just try.

You are infinitely capable, and there is nothing uniquely amazing about me. I just do the work. And keep doing it. Sometimes I get the result I want. And most of the time, I **DON'T** get the result I want. But that doesn't stop me from trying again. That is my secret: persistence and trying. That. Is. It. And you can do the same.

So get out there and start making the things you want a reality. If you ever need help getting "there" - wherever "there" may be — you can always find me at **www.rupalypatel.com.**

BIG GOALS & GLASS CEILINGS

BY RICHARD BROWN AKA THE PROPERTY VOICE

At the start of the year, I set some decent goals for my property business; similar to most of us. Then, a few unconnected, yet fortuitous events happened that changed everything ...

First, a friend and fellow investor shared one of the Darren Hardy's "Darren Daily" motivational videos. Within that was the idea to triple our goals ... in a third of the time. I shared this with one of my business partners and we looked at each other and said, "should we?"

Fortunately, Darren Hardy also added a key phrase, which struck a chord.

"IT'S IMPOSSIBLE, UNLESS..?"

That was literally the clincher. We decided to up all our goals by a factor of three right there. Now, one of those goals was related to our objective to diversify and grow our property business interests. We are looking for property agency and service businesses, and originally had a goal of adding £1m in turnover to our property business interests through mergers and acquisitions (M&A) this year. That was already from a standing start but NOW it became £3m, just like that.

The truth is, we had no real idea that we would achieve £1m in turnover through M&A, let alone £3m – it was just a number. We were doing some bits and pieces looking for acquisition targets but it was all so new that we didn't really have the pipeline to visualise and quantify the end result. It was all virgin territory, to coin a phrase. So, when we reset the goal to £3m, well ... even we thought we were pushing the envelope just a little too far.

However, what this new stretch goal did do was to lift our sights. We literally started to look for and consider bigger acquisition targets. Amongst others, we happened across a 250 tenancy/40-property HMO rent-to-rent, co-living business for sale. It had a turnover of £2.5m in the last 12 months and historically had broken the £3m turnover hurdle. *"Should we? Could we? Will we?"* These were all questions that we asked ourselves.

But here's the thing, without resetting that goal, I think we would have said no and stuck to something a little smaller, especially as this was one of the very first M&A opportunities that we were presented with.

We made first contact on 6th February 2021, just over a month into the new year and VERY soon after resetting our goals for the year too. Fast forward to 2nd June 2021, and we are the new owners of Capital Living London Ltd! See **www.capitalliving.co.uk**

Capital Living is more than a rent-to-rent business, it is at the forefront of the co-living movement, with a unique membership model that emphasises a sense of community, and not just somewhere to live. We have some great plans for the business too. These include broadening the co-living offering — watch this space on that — along with growth both inside London and potentially into other locations throughout the country. We are hungry for more, so if you have any properties, blocks, portfolios or even businesses that could compliment this offering, I'm all ears.

Besides the resetting of the goal that I mentioned, which in itself enabled us to smash through a glass ceiling, there were other observations from this process that I wanted to share with you.

The first is that we conducted the entire negotiation of this business acquisition without ever meeting in person! That seems incredible when you think about it. But it just goes to how things have changed as a result of Covid. Most of the information and due diligence was shared and conducted remotely. Then, when we did undertake physical inspections of properties, for example, we engaged one of our team to do those visits for us. The results were shared in video, photographic and written reports … everything was digitally and virtually exchanged, in other words. Whilst that's not ideal in some respects, it just goes to show what is possible in this new way of working caused by the pandemic.

The second thing to share was that this acquisition was probably 'lost' at least three times, and that's what we know of! We had some hairy and sometimes emotionally fraught moments during the stresses and pressures of a business sale and purchase. What really kept things together was one thing: *rapport*.

Rapport is one of those words that you often hear about on a training course and you don't really know what it truly means … until you need to rely on it in the thick of a thorny negotiation, that is! Rapport involves being able to put yourself in the other person's shoes. However, it is also being able to get the other person to put themselves in your shoes as well. In other words, it's more than just getting along. It's about connection, listening, influence, persuasion and empathy and meeting people where they are to deliver a mutually beneficial outcome.

When we really hear the other person and they know that, it can help you through those inevitable tough moments that can arise. In a four-month business acquisition process, there's plenty of opportunity to practice rapport-building, let's just say that.

The third point is this … this is just the beginning! Now that we have acquired the business, the REAL work begins. We are getting to meet the people, understand how things really work and plot out a way forward within the first 100 days. At the same time, we have significant growth plans for the business, so we are putting out feelers for new property owners and potential M&A targets too. It's quite a challenge to step into a business, understand it, stabilise it, improve it and grow it … all at the same time. We are in up to our chins in it at times, but it feels pretty good.

In terms of growth, I am in an M&A accountability group to help keep me on track. We had our first call on Friday, as I write this on Monday. We are all encouraged to set our weekly activity or process goals; mine was to contact 20 business owners this week. As I write, I have reached out to six and already four have confirmed meetings for next week with two saying they would be interested in exiting their current interests. There's a saying that our next deal is already in our contact list — I'm putting this to the test right away.

So, what does all this mean and what conclusions can we draw that you could apply to your own situation?

It's probably apparent from what I have shared until now, but for me the key takeaways are these:

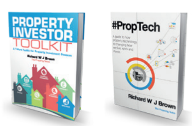
- **A big goal or vision elevates our creative problem solving capabilities. Without that Darren Daily rallying call to triple our goals, we might have missed this opportunity. *"It's impossible …unless?"* This is now a key phrase for me.**
- **Rapport gets you through tough moments in an extended negotiation. Walking in someone else's shoes and getting them to walk in yours is a business relationship building skill just as it is in any relationship, I noted.**
- **There are growing pains and also 'staying pains' when it comes to something new … so get the sleep in the bank and the energy in the tank before you step in. Be careful what you wish for as the saying goes, because you need to be able to handle what's coming if they do say yes! That's the reality check right there, as I am delving my way through an array of new systems and processes.**
- **Remember the story of the Trojan Horse? It's easier to make your move when you are already on the inside. This is not a war but it can be a battle at times. Having an inside track can certainly help to get ahead. That's why I am capitalising on this new acquisition to springboard into other conversations, whilst it's still fresh news.**

How about you, are you looking expand or exit in your business? I'd love to hear your 'war stories', so drop me a line with them.

Meanwhile, over at The Property Voice Podcast, we have just launched a new series called Property Core Skills. Why not check it out when you get a sec …

If you'd like to hear more about my forthcoming Property Finance book or understand how I integrate Money Mindset into the TPV Apprentice Programme … just reach out: admin@thepropertyvoice.net

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



MORTGAGE UPDATE

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

We have seen a few positive moves in the BTL mortgage market over the past month, which is great news for investors. These include some rate reductions, along with some new products with incentives for limited company purchases and refinances.

This month, I thought I would provide an overview of some of the mortgages available for limited companies.

LIMITED COMPANY MORTGAGE OVERVIEW

If you are looking at a limited company purchase or refinance, then your available options will depend on the structure of your company. Each lender has their own individual criteria on the directors'/shareholders' personal circumstances, so you will need to discuss this with your broker.

THE MORTGAGE WORKS

TMW, the specialist BTL lender of Nationwide Building Society, have a range of limited company BTL products for remortgages with free valuations and legal remortgage services.

This is excellent for investors who are purchasing and refinancing within a limited company. Usually, they would have to factor in additional legal costs whenever they are refinancing, so this will reduce the overall upfront costs.

75% of the valuation

- 3.29% – 2-year fixed until 31/3/2023 – £1,995 arrangement fee added to the loan – free valuation and free legal remortgage service
- 3.39% – 2-year fixed until 31/3/2023 – £995 arrangement fee added to the loan – free valuation and free legal remortgage service
- 3.69% – 5-year fixed until 31/3/2026 – £1,995 arrangement fee added to the loan – free valuation and free legal remortgage service
- 3.74% – 5-year fixed until 31/3/2026 – £995 arrangement fee added to the loan – free valuation and free legal remortgage service

These are an excellent addition to the existing range of limited company products currently available for purchases and remortgages.

The Mortgage Works limited company lending is available for simple structured companies with a maximum of two directors and shareholders, who must be the same people. All directors must hold 100% of the shareholding between them.

Key criteria:

- Limited company products are only available to special purpose vehicles (SPVs) set up solely for the buying, selling and letting of their own residential property
- Only SPVs with one or more of the following Standard Industrial Classification (SIC) codes are considered:
  - **68100, 68201, 68209, 68320**
- Companies must be registered in England, Wales or Scotland. SPVs are considered from day one of being set up
- SPVs that have associated commercial property/assets are not accepted
- Personal guarantees are required from all beneficial owners in all cases

PRECISE MORTGAGES

In another positive move for the BTL market, Precise Mortgages have launched some additional products with incentives available.

Limited company products – standard BTL

75% of the purchase price/valuation

- 2.79% – 2-year fixed – 1.5% product/arrangement fee added to the loan
- 2.99% – 2-year fixed – 1.5% product/arrangement fee added to the loan – refund of valuation fee and £300 cashback
- 3.39% – 5-year fixed – 1.5% product/arrangement fee added to the loan
- 3.49% – 5-year fixed – 1.5% product/arrangement fee added to the loan – refund of valuation fee and £300 cashback

Limited company or personal products – HMO/multi-unit properties

75% of the purchase price/valuation

- 2.89% – 2-year fixed – 1.5% product/arrangement fee added to the loan
- 3.59% – 5-year fixed – 2% product/arrangement fee added to the loan
- 3.69% – 5-year fixed – 1.5% product/arrangement fee added to the loan

It's great to see the rates for the specialist market reducing, providing investors with some additional help with the costs of refinancing.

FOUNDATION HOME LOANS

Another specialist BTL lender to launch some fee-assisted products for limited company lending is Foundation Home Loans. The new products have a reduced product fee helping with costs.

75% of the purchase price/valuation

- 3.59% – 2-year fixed – £1,495 product/arrangement fee added to the loan – free valuation, £250 cashback and no application fee
- 3.74% – 5 year fixed – £1,495 product/arrangement fee added to the loan – free valuation, £250 cashback and no application fee

65% of the purchase price/valuation

- 3.39% – 2-year fixed – £1,495 product/arrangement fee added to the loan – free valuation, £250 cashback and no application fee
- 3.59% – 5-year fixed – £1,495 product/arrangement fee added to the loan – free valuation, £250 cashback and no application fee

Foundation Home Loans have been very competitive in the specialist market and they have some excellent criteria:

- No minimum income
- No minimum periods of employment or self-employment

- Complex company structures considered
- Larger HMOs considered up to 8 bedrooms and multi-unit blocks up to 10 units
- First-time landlords considered
- Minimum valuation £75,000

If you have any questions, please give me a call or send me an email.

PARAGON MORTGAGES

Paragon Mortgages are another lender that has a range of products that are available for the investors purchasing and refinancing within a limited company with incentives to help with the costs.

Some options include ...

75% of the purchase price/valuation

- 3.20% – 2-year fixed – 1% product/ arrangement fee added to the loan – free valuation, £750 cashback and £299 application fee
- 3.30% – 5-year fixed – 1.5% product/ arrangement fee added to the loan – free valuation, £750 cashback and £299 application fee
- 3.65% – 5-year fixed – no product/ arrangement fee added to the loan – free valuation, £750 cashback and £299 application fee

70% of the purchase price/valuation

- 2.95% – 2-year fixed – 1% product/ arrangement fee added to the loan – free valuation and £299 application fee
- 3.34% – 5-year fixed – 2% product/ arrangement fee added to the loan – free valuation and £299 application fee
- 3.64% – 5-year fixed – no product/ arrangement fee added to the loan – free valuation and £299 application fee

Again, the cashback and free valuation options are great for investors who need assistance with the upfront fees when financing within a limited company.

KENT RELIANCE

Another lender who has launched some new limited edition products for HMO and multi-unit blocks is Kent Reliance, who are part of the One Saving Bank along with Precise. They provide options for some more complex financing and are also a strong HMO lender.

Limited edition rates include ...

75% of the purchase price/ valuation

- 3.24% – 2-year fixed – 2% product/ arrangement fee added to the loan
- 3.99% – 2-year fixed – 0.5% product/ arrangement fee added to the loan
- 3.64% – 5-year fixed – 2% product/ arrangement fee added to the loan
- 3.94% – 5-year fixed – 0.5% product/ arrangement fee added to the loan

Key criteria:

- No HMO/BTL experience required for HMO lending but must be a property owner – up to 6 bedrooms
- Minimum value/purchase price £75,000
- Additional borrowing available to apply for after 6 months
- No minimum income
- Complex company structures considered
- HMOs up to 10 bedrooms considered

If you are looking at personal borrowing for BTL finance at the moment, here are a selection of the rates available for single lets:

HEADLINE INTEREST RATES AVAILABLE FOR PERSONAL BORROWING

Lender	Loan to Value	Product	Fees
The Mortgage Works	75%	1.64% fixed until 31/7/2023	2% arrangement fee, free valuation and free legal remortgage service or £250 cashback for purchases
BM Solutions	75%	1.62% fixed until 30/9/2023	£1,995 arrangement fee, free valuation and free legal remortgage service
BM Solutions	75%	2.27% fixed until 30/09/2023	no arrangement fee, free valuation and free legal remortgage service
The Mortgage Works	65%	1.24% fixed until 31/07/2023	2% arrangement fee, free valuation and free legal remortgage service
Virgin Money	75%	1.85% fixed until 01/10/2023	£995 arrangement fee, free valuation and free legal remortgage service or £500 cash back for purchases
BM Solutions	75%	2.00% fixed until 30/09/2026	£1,995 arrangement fee, free valuation and free legal remortgage service
Virgin Money	75%	2.09% fixed until 1/10/2026	£995 arrangement fee, free valuation and free legal remortgage service or £500 cash back for purchases
The Mortgage Works	65%	2.04% fixed until 31/07/2026	£995 arrangement fee, free valuation and free legal remortgage service
Leeds Building Society	75%	2.09% fixed until 31/07/2026	£999 arrangement fee, free valuation and free legal remortgage service

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

T: **0208 870 8787** M: **07973 172 444** E: **stuart@trafalgarsq.co.uk** W: **www.trafalgarsq.co.uk**

EXPLAINING HOW INCOME TAX PAYMENTS ON ACCOUNT WORK FOR INDIVIDUAL LANDLORDS

By specialist property accountant **Stephen Fay** ACA

Individual landlords and property investors generally pay income tax on their profits, and may also need to make Payments on Account towards the following tax year. This article looks at how the Payments on Account system works, and how these can be changed if required.

WHAT ARE PAYMENTS ON ACCOUNT, EXACTLY?

Individuals pay income tax on their personal incomes, including those who own rental property personally, and those who receive salary and dividends from their company. The tax year ends on 5 April each year, and the tax due on that year's income is due for payment by the following 31 January.

However, as well as that year's tax bill, there is also a requirement to make a 'Payment on Account' (POA) – effectively an advance payment – for the following year's tax bill, if the current year's tax bill is >£1,000. This is payable in two instalments – the first due on 31 January along with the current year's tax due, and the second due the following 31 July. These POAs are then credited against the following year's tax bill.

Eg, Boris is a landlord, and owns 20 rental properties in his personal name. For the 2021 tax year (ending 5 April 2021), he earns a rental profit (ie income after all expenses) of £30,000. The income tax due is therefore 20% of £17,500 taxable profit (income after the Personal Allowance), so £3,500.

The 2021 tax of £3,500 is due by 31 January 2022. And, as the 2021 tax due is more than £1,000, there is also a need to pay POAs towards the 2022 tax bill, of 50% of the 2021 tax due (so, £1,750 each).

So, the total amount due on 31 January 2021 is £5,250, and a second POA or £1,750 is due on 31 July 2022.

WHAT IS THE POA BASED ON?

POAs are based on the income tax figure only, and any Class 4 National Insurance (which only applies to self-employed people, not to landlords). POAs are not payable on:

- **Capital gains tax**
- **Student Loan contributions**
- **Class 2 National Insurance**

CAN I REDUCE OR AVOID MAKING PAYMENTS ON ACCOUNT?

It is possible to avoid making POAs, or to reduce the amount payable, by filing the annual tax return to exclude/reduce the POAs, or by applying to HMRC before 31 January to do so (remember, the UK tax system is a 'self-assessment' system).

It's important to understand that POAs should only be reduced or excluded on the basis that you expect next year's income (and so tax bill) to be substantially lower (ie not just lower by a trivial amount).

For property investors, there are two reasons NOT to change the POAs from the standard amount of 50% of the previous tax year:

Lenders

As most investors know, mortgage lenders routinely ask for a copy of the SA302 Tax Calculation and the accompanying Tax Year Overview. If a lender sees on the SA302 that the POA has been reduced or excluded, this communicates to the lender one thing … that you expect next year's income to be lower, which of course is not really something that a lender wants to hear!

And, the Tax Year Overview will show up interest charged by HMRC on underpaid POAs, so this is another giveaway sign to the lender that tax payments aren't being made in the standard way.

HMRC Investigations

Not making the standard POAs likely puts an individual at an increased risk of a HMRC 'Enquiry' (the modern HMRC term for an investigation). HMRC don't generally publish the specifics of

how tax returns are selected for an Enquiry, but it is clear that taxpayers who reduce or exclude POAs are more likely to be looked at. In genuine cases, POAs can be reduced, but not many people are keen to be looked at by HMRC, so this is a factor in the decision.

WHAT HAPPENS IF I PAY TOO MUCH TAX?

Once the following year's tax return is filed, the 31 January and 31 July POAs made are credited against the latest tax bill. If this results in an overpayment of tax, the overpaid amount will be refunded by HMRC.

Usually, there will be a top-up payment to be made each 31 January, after crediting the POAs made. The 31 January tax due therefore usually consists of the top-up payment for the latest year, plus the payment on account for the following year.

BENEFITS OF FILING YOUR TAX RETURN BEFORE 31 JULY

POAs are essentially an estimate of next year's tax bill, and are based on 50% of the previous year's tax bill. The second payment on account is due by 31 July, but is based on the previous year's tax bill.

A benefit of filing the latest tax return before 31 July is that the latest year's tax bill will then be known, and the 31 July POA can be reduced legitimately, to avoid an overpayment scenario.

Eg, Boris has a 2021 tax year bill of £3,500, and so is due to make POAs of £1,750 by 31 January 2022 and 31 July 2022. However, Boris has a reduced 2022 income, of £25,000, and so his 2022 tax bill will therefore be lower (£2,486).

If Boris doesn't file his 2022 tax return by 31 July (not that he needs to, of course), he would be due to make his second POA of £1,750 by 31 July 2022. However, he does file his 2022 tax return before 31 July 2022, and is able to pay a reduced second POA. Boris owes £2,486, but has already paid £1,750, and therefore pays just £736 as his second POA (£1,750 + £736 = £2,486).

UNDERPAYMENT OF POAS ...

Obviously, nobody wants to have to pay tax in advance, and as the tax system is a self-assessment system, a tax return can be filed with no (or reduced) POAs included.

However, once the following tax return is filed, and this shows that the POAs should have been made, interest will become payable on the underpaid amounts, calculated at 2.6% per annum, based on the number of days late that the tax is paid. This interest would show up on the Tax Year Overview and as mentioned can lead to lender issues, as it is an indicator that tax payments are not being made as they should be.

THE FUTURE OF POAs ... AND 'MAKING TAX DIGITAL' ('MTD')

The current date for the introduction of the new 'Making Tax Digital' regime for income tax is April 2023. For most landlords, this won't actually change their financial admin, as most will already be maintaining 'digital' financial records (ie via software or Excel), and file their tax returns online.

The news on the tax grapevine is that the introduction of MTD could lead to the frequency of making POAs increasing from six-monthly to quarterly ... ie four POAs per year, with the fourth payment being the top-up to the calculated final tax bill for each year. You heard it here first!

SUMMARY ...

Payments on Account are a fact of life for most landlords, and require that tax payments are made by 31 January and 31 July each year. Most landlords will make the default 50% POAs as it allows for the annual tax bill to be paid in two halves, and lenders generally like to see POAs being made in the standard way ... as well as HMRC being less likely to investigate taxpayers who pay what is owed on time.

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THE CASE FOR A NATIONAL LICENSING SCHEME

By Mary Latham

I remember the days back in the early noughties when landlords first heard of the notion of property licensing. This was before most of us were discussing issues online, but it spread like wildfire by word of mouth and landlords all over the country were worried and angry.

I started the Association of Midlands Landlords (AML) to give landlords in the area a voice and licensing was the main subject at our regular meetings. I also attended meetings with West Midlands local authorities, discussing issues which concerned them and those which concerned landlords. That was like walking up a wet mirror because the authorities usually tended to come across landlords who broke the law, so couldn't get their heads around the idea that some of us wanted to be recognised as good landlords providing nice, safe homes. It was years before many within the authorities realised that there were actually some very responsible landlords around, and that we were all on the same side.

As Chair of the AML, I attended meetings of the National Federation of Residential Landlords (NFRL) in London with 51 other representatives of landlords' associations. We discussed government plans for major changes to be introduced in the new Housing Act (which became the Housing Act 2004):

MANDATORY HMO LICENSING

This became HMO Licensing and Additional Licensing

LICENSING OF NON-HMOS

This became Selective Licensing

TENANT DEPOSIT PROTECTION

This became two schemes for either holding the deposits, or landlord holding the deposit and paying a premium to cover the cost of arbitration

RISK BASED PROPERTY INSPECTIONS

This became the Housing Health & Safety Hazard Rating System

I am proud to say that when I was invited to become a member of the Executive Committee of the NFRL, I was the first woman to have that privilege. I learned a massive amount from the gentlemen who almost **"kicked open the doors of government"** to make them listen to the landlords' point of view. As far as I know, only Mike Stimpson is still with us. It was he who led the NFRL and fought hard for landlords to be recognised as major players in the provision of homes in the UK. A major portfolio landlord in Brighton, he knew everything there was to know about landlords, tenants and HMOs. I was honoured to learn from the best. My favourite quote from Mike: *"Get them into your association, don't put up barriers. Once they are in, we can train them."*

At that time, there were many landlords who had been letting property for years, often with large portfolios, and thought they knew all they needed to know. Those of us getting feedback from the meetings that Mike attended with senior civil servants (government ministers wouldn't meet landlords) realised that a lot of major changes were planned and that landlords would be breaking the law without even realising it.

We didn't have Facebook/LinkedIn/Twitter … we relied mainly on word of mouth carried by those who attended one of the 50 odd landlords' associations meetings spread throughout England and Wales. The National Landlords Association was then the Small Landlords Association with around 2,000 members, and one of the associations which made up the NFRL.

THE NFRL HAD TWO IMPORTANT FUNCTIONS:

- **to represent landlords at the highest level and prevent heavy-handed legislation;**
- **to educate landlords and keep them up to date with changes, which would keep them out of trouble.**

Each member of the Executive Committee was given an area of the proposed legislation (Housing Act 2004) to work on. I was given "deposit protection" and I am delighted to say that I convinced John Daniels, the civil servant working on behalf of the Office of the Deputy Prime Minister, to include the option that allowed landlords to hold on to the deposit if we paid a premium to a government approved scheme – MyDeposits. Unfortunately, this is likely to be replaced by a new national deposit scheme (which I have written about in the past) once the **Renters Reform Bill becomes law.**

Maybe it is time to move on. Many landlords have been lax about protecting their tenants' deposits, which has meant calls for more protection of what is after all the tenants' money and potentially a big chunk of their savings.

The restrictions, maximum five weeks' rent as a deposit, introduced in the Tenant Fees Act 2019 was the beginning, but many tenants do not think it went far enough in protecting them from landlords and agents continuing to withhold more than they believe to be fair.

The coming changes will be more bureaucratic, and I expect it will be more difficult to make a claim from the scheme unless the tenant agrees that there is fault. I hope I am wrong. We will see.

A group of my colleagues in the NFRL, including Mike Stimpson, took on "mandatory licensing". This group owned and rented thousands of HMO rooms and feared that HMO licensing would cost them a lot of money, not only in fees but in the conditions that local authorities were able to attach to the licence.

They tried to get the government to put a fixed fee on mandatory licences and run a national scheme. Unfortunately, the government wanted each local authority to fix a fee that would cover the cost of administering the licence and differ according to wage levels in different parts of the country. The legislation still says that local authorities must only charge enough to cover their costs, but many landlords dispute that this happens. Although where EHOs are performing admin tasks that are well below their pay grade, it's easy to see how the costs creep up.

The only concession that my colleagues won was that mandatory HMO licensing would only apply to buildings that were three floors or more high, and where five or more unrelated people shared facilities. The number of floors was subsequently removed in **The Licensing of Houses in Multi Occupation (Prescribed Description) (England) Order 2018,** which means that any property occupied by five or more unrelated people sharing facilities must be licensed.

When the government introduced the concept of further licensing, there was a lot of concern among my colleagues about how this would be applied by some local authorities. Time has proven them right as selective licensing was used by many authorities to cover the whole of their area, which is, to say the least, not "selective" and doesn't fall within the spirit of the law. Additional licensing is the poor relation because it only applies to small HMOs and obviously wouldn't bring in enough revenue to make it worth the process of introducing it.

Selective Licensing is a cash cow and it is spreading. Which leads me to this:

We need a national licensing scheme for all rented properties to be introduced in the Renters Reform Bill.

I know it's counterintuitive, but the current licensing legislation doesn't work. It doesn't stop delinquent landlords and it doesn't give tenants the security they need. It is not a level playing field. There are big differences in the requirement for letting property in one local authority compared to a neighbouring authority. It's difficult for property investors to plan and to calculate costs because local requirements can change.

HOW WILL A NATIONAL LICENSING SCHEME IMPROVE THE PRS?

- **The national scheme would be administered by a government appointed agency.**
- The fee would cover the running of the scheme (as at present) and would be the same throughout England, with a redress service for property standards and management issues.
- **Arbitration for deposit disputes would be covered by the new deposit protection scheme.**
- All rented properties would need to be licensed by an automated system, which would reduce the licence fee.
- **Every letting agent would need to be licensed by an automatic system administration of a licensed agents' register, in addition to ROPA.**
- Every landlord would be licensed to let property unless he chose to use a licensed letting agent. The fee would cover the automated system and administration of a licensed landlord register.
- **As with the current schemes, the licensee would need to be a 'fit and proper person'.**
- The self-managing landlord would need to be either within a two-hour commute or otherwise use a licensed letting agent.
- **Tenants would lodge their own deposits in the national deposit scheme and assign them to the current landlord (as is proposed).**
- Claims made against a deposit would be dealt with through arbitration via the deposit scheme, as it is now.
- **The licensing scheme would operate a free redress scheme for both landlords and tenants who have issues with the person running the property.**
- Local authorities would operate as they used to, by using their qualified staff to do the job for which they qualified – property inspections and poor management issues – saving hours of admin time.

THE RESULT:

- **All licensed landlords and letting agents would be on a register in the public domain, which tenants could check.**
- **All rented property would be on a register in the public domain, which tenants could check.**
- **Tenants would manage their own deposits through the new scheme.**
- **Tenants and landlords would have free arbitration in the event of a deposit dispute, as with the custodial scheme now.**
- **The licensing scheme would operate a free redress scheme for tenants who have issues with the person running the property, or the property condition.**
- **Local authorities would receive income from dealing with issues raised by tenants or via an automatic notification relating to property standards or management.**
- **Landlords would pay the same fee wherever the property was situated.**
- **Landlords would need to meet the same licence conditions wherever the property was situated.**
- **Space and amenity standards would be the same wherever the property was situated.**
- **An unlicensed landlord or agent found taking rent from a person living in a property would be charged an on-the-spot penalty. Three penalties would mean licence withdrawal for five years.**
- **A landlord or agent found taking rent from a person living in an unlicensed property would be charged an on-the-spot penalty. Three penalties would mean licence withdrawal for five years.**
- **Local authorities would save thousands of man hours finding unlicensed landlords, preparing paperwork and taking legal action.**

Of all the cases reported, where a local authority has prosecuted a landlord, the majority are for not having a licence when they should. Many hours of court time are wasted, and often make no difference to the life of the tenants living in those properties.

Both local officer and court time needs to be spent ensuring that everyone has a well-managed, safe home. Prosecution would not be necessary unless a landlord or agent had continued to let without a licence and been charged three penalties. Withdrawal of licence should be used to stop landlords and letting agents breaking the law, just as would happen with a driver.

WHAT IS THE DOWNSIDE OF A LICENCE FEE?

There are more selective licensing schemes being introduced every year. Lockdown has slowed some of them but once this ends there will be a flood of selective licensing schemes all over the country; even landlords with just a one-bedroom flat will have to pay up to £1,000 for a licence (Birmingham fee = £950).

£1,000 for a fee which is only meant to cover costs!

The NRLA has shared new data with Which? showing the 50 councils in England that already operate selective or additional licensing schemes. There is an interactive map to show these on the Which? website:

bit.ly/YPN157-ML1.

Check your council's website. You may find they are planning selective licensing too.

HOW WOULD ONE NATIONAL SCHEME WORK?

THINK ROAD TAX:

- One national automated scheme would cost much less to run.
- **Annual renewal via an automated system with no actual paper licence.**
- **Where the licence has not been renewed and the property not taken off the letting market (as with a SORN), an automatic notice would be sent and the local authority automatically notified if there was no response.**
- Documents like gas and electric safety inspections would be linked to the licensing system, like MOT. An automatic notice would be sent and the local authority notified if the statutory safety inspections had not been recorded.
- **Tenants and prospective tenants could check everything on the public register.**
- Lenders and valuers could check everything on the public register.
- **Local authority officers would do the job for which they are trained rather than an admin function. This would help tenants living in poor conditions.**
- No more five-year licence costs up front.
- **Local authorities would spend less time: chasing unlicensed landlords; trying to find rented properties in their area; reacting to bogus complaints; completing paperwork for prosecutions; issuing licences (which takes up to 18 months in some areas).**
- Where there are problems, owners of neighbouring properties could find the owner of rented properties, rather than reporting to local authorities and adding to their workload.

If there are any good reasons why this wouldn't be an improvement, I can't think of them!

I believe that when the government decides that letting agents are educated and regulated, as is proposed in the **Regulation of Property Agents (ROPA) Bill,** they will introduce legislation to force landlords who are not educated to use an agent. As my colleague Mike Stimpson said all those years ago: *"Get them into your association, don't put up barriers. Once they are in, we can train them."*

After I amalgamated the AML with the NLA in 2005, I began delivering seminars on behalf of local authorities to accredit landlords and keep them up to date on legislation and regulation. I believe that education trumps enforcement and that most landlords who get things wrong are just not aware. For the ones who deliberately go into the business of providing homes without caring about the people who live in them or understanding what the law requires, there must be consequences. But good landlords should not be paying for that enforcement as we are now.

I would like to leave the last word to another landlord who wants to see the PRS regulated differently: Sue Maxwell Smith, property investor of 35 years, book-keeper and accountant to landlords and small businesses, has always advocated the mandating of nationwide licensing for all landlords.

> ***Sue says we should:***
>
> *Pass an exam to be a landlord, and each tenancy should bear [the] landlord's licence number like Gas Safe. Rogue landlords should lose their licence. Tenants can see points on the landlord's licence from earlier breaches and choose their landlord on that basis. The councils have seized control in this vacuum and the fines framework is far more expensive for sometimes innocent landlords as a result. Desperate councils lose all reason in their persecution of landlords in order to get cash. The government should look to introduce the nationwide licensing as soon as possible.*

@landlordtweets

Mary Latham Landlord

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THE EFFECT ON INFLATION AND HOUSE PRICES

By David Lawrenson of **LettingFocus.com**

We seem to be heading for some inflation – but will it be bad for house prices?

With a conservative government in power, we know their obsession with getting first-time buyers on to the property ladder will be much in evidence. It's wired into the conservative DNA.

Sure, the government's finances are in an awful state as a result of their belief that imposing house arrests and loss of rights on people would sort out Covid. (In my humble view, it didn't and compared to US states like Florida and Texas, which stopped locking down, it seems full lockdowns made little difference other than hurting the economy. But I don't expect you all to agree!)

And yet, despite the staggering debt that has now been built up, in the last budget, the Covid magic money tree could still be relied upon for some measures to help first-time buyers get mortgages by widening access to mortgage loans at higher loan to values.

THIS IS, OF COURSE, GOOD FOR HOUSE PRICES.

Also in the budget, corporation taxes went up too as we predicted they might. This makes the company structure for holding a portfolio of properties a little less attractive. And the Stamp Duty Land Tax holiday was extended for a bit.

The subtext to the last budget though, is debt – and how to reduce it.

Government debt is now truly huge. It has been issuing bonds at very low interest rates to pay for the Covid car crash. Some of this debt is bought up by itself, some is bought by big merchant banks and some is forced on pension funds to buy.

But what next?

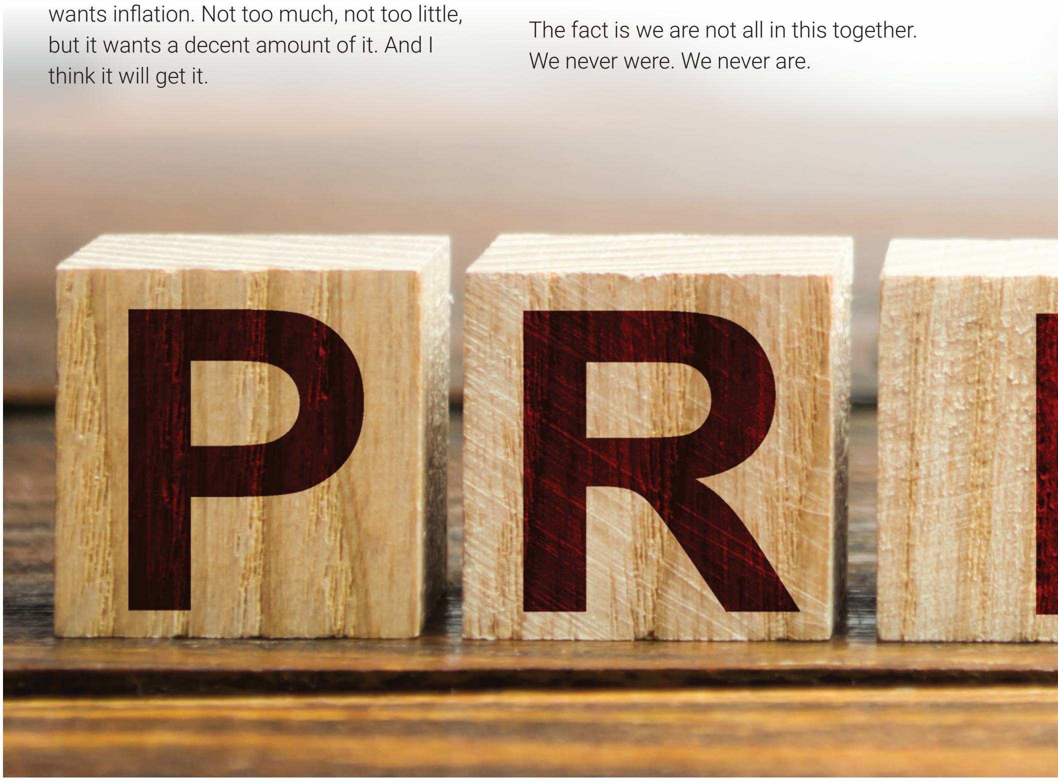
Well, the government is hoping to get rid of this debt by inflating a lot of it away. Yup, it wants inflation. Not too much, not too little, but it wants a decent amount of it. And I think it will get it.

> "The fact is we are not all in this together. We never were. We never are."

You and I are effectively holding a lot of savings (which has been recycled by the institutions who bought the government debt back on to some of us through loans). Private saving is just the flip side of the government debt.

Before you scream: "Not me, David, my business has been destroyed and I have got no help from the state", I will say: "Yes, I know".

The fact is we are not all in this together. We never were. We never are.



The big losers are people who switched to self-employment just before March 2020 and small business owners and their employees, especially those in sectors like travel, tourism and hospitality (including, of course, city Airbnb owners).

The big winners – the private savers – are state employees and the workers in the private sector who have been able to work from home on full pay.

Other winners are, of course, any firm who trades or has learnt to trade mostly online. Big tech firms and, of course, Big Pharma have also done very well by the government and media's propaganda … for pretty obvious reasons.

With reduced competition from the small firms who have gone to the wall and shortened world supply chains post-Covid, the way should be open for big firms to raise margins by increasing prices.

In the UK, with possibly fewer foreign workers post-Brexit, it should also be possible for our workers to get better pay demands met – another inflation feed-in.

How much inflation does the government want? Well, it will be happy with, say, up to 5% per annum. It will look on happily as the debt gets reduced.

If things start overheating and inflation gets too high, then it will prefer turning to fiscal policy, (raising taxes), to cool things a bit. It won't be keen on increasing interest rates as it wants to get that debt down, remember. Raising long-term interest rates on new debt won't help clear the debt!

When taxes rise – and they certainly will at some point – landlords can expect to be one of the targets. We always are, but that is the price of being in this business. We just have to live with this.

SO, IS THIS WHOLE THING ANYTHING TO FEAR?

NO, MAYBE NOT.

In fact it could be good because general inflation is also good for house prices, in fact it is good for all real assets. It is only bad for anyone with cash or deposits in the bank. Their real returns, which are already negative, will only get worse.

95% of money that swills about is just credit and debt. There is always a risk that the whole pack of cards comes tumbling down in a big crisis of confidence and run on the banks.

Perhaps this is what Mr. Klaus Schwab, founder of the World Economic Forum and his well-connected friends, like Tony Blair, Bill Gates and Ursula Von Der Leyen want. Schwab is the Davos meeting head-honcho and rather likes the Chinese system of a total surveillance online society controlled by technocrats like himself in which, as he says: "You will own nothing, and you'll be happy" (I recommend everyone to spend some time reading the reviews of his book, "The Great Reset").

I just hope these doomsday worries don't come to pass. After all, the world's economy has absorbed bigger crises than Covid. And it has seen off totalitarian head cases like Hitler and Stalin.

But ignoring the real worries for a moment and assuming the world stands up and rejects The Great Reset (a big if); right now, with inflation to come, property looks a decent bet.

And of course, property is a great hedge against inflation – and one you can leverage up to buy.

I suggest that you try to borrow on fixed-term long rates, because interest rates could still rise (despite the government not wanting them to go up too much).

Where to buy property and what type of property to buy is another matter. Despite the coming inflation, some areas (and types of property) will do well and some will still be basket cases. This, of course, is the more granular level stuff that we work with our clients on.

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"*.

ALTERNATIVE AUCTION *Strategies*

BY SIMON ZUTSHI

This month, in line with the general auction theme of the magazine, I decided to share some of the more creative strategies that can be used with auctions.

Auctions are a great place to pick up some bargains, but you really do need to know what you're doing, and unfortunately, most people who buy at auction, don't.

The reason most investors buy at auction is to pick up a bargain. However, let's also consider the reasons why a vendor would want to sell their property in this way. I believe there are three main reasons:

1 SPEED OF SALE

The day the hammer goes down, exchange happens with a 10% deposit and the buyer usually has 28 days to complete. This gives the seller speed and certainty of sale, which is one of the main reasons people agree to sell at auction.

2 SELL THE PROPERTY FOR MORE

Vendors hope that lots of potential buyers, who are looking for bargains, will be attracted to their "cheap" property. There might be plenty of potential buyers bidding, so it might actually sell for more than it's worth due to the competition.

3 AUCTION PROPERTIES OFTEN HAVE PROBLEMS

Very often properties sold at auction have something wrong with them. Maybe they are unmortgagable due to structural damage or have issues such as Japanese Knotweed. The owner may just want to get rid of their property in the hope that an unsuspecting amateur investor snaps up what they think is a bargain without realising that there is a problem.

This is why properties are sometimes placed back into an auction only a few months after it was first purchased, because the new owner realises they've made an expensive mistake.

SELL INSTEAD OF BUY

I would like to suggest that selling property at auction can be a very profitable strategy when done correctly. If the property is positioned at a low guide price, then hopefully lots of people bid on it to drive the price up, often above the true value.

With this in mind, this strategy involves securing a property below market value and might need quite a bit of work doing to it. However, instead of actually doing the work yourself, you put it straight into auction to flip it on. By listing it at a low guide price, hopefully a lot of people will be attracted it thinking that they can get a bargain.

Unfortunately, people get emotionally attached to property and end up bidding and paying too much. Ideally, you want to have one of the first few lots in the auction catalogue, because then it will get a lot of interest — especially if it's at a low price.

I suggest that the guide price is the same as what you bought the property for, because there is the risk that it may not reach its reserve and therefore won't sell. If this happens, you might need to complete the renovations yourself, and then either refinance or sell it on. Bear in mind that the reserve price can only be a maximum of 10% above the guide price.

While this is a great strategy, there is a further twist that can make it even more powerful. If you find a motivated seller who needs to sell their property quickly, the fact that auction sales complete 28 days after the hammer goes down can give speed and certainty to the vendor. You could secure the property on a purchase option. Agree an acceptable price with the seller in the event that the property is sold quickly, and then place it into the next auction. Guide it at a price slightly less than your agreed price with the seller, and hopefully a number of people will bid on it to push the value up.

There are some interesting distinctions about this strategy. First of all, because you haven't purchased the property, you don't have to pay stamp duty. This saving could be passed on to the vendor to give them more money for their property if they're prepared to have this flexibility. Secondly, if it doesn't sell at auction, you're not stuck with something that can't sell because you hadn't yet bought it. Remember, with an option you have the right to buy if you want to, but not the obligation.

The only consequences for you would be some small fees to get the property into the auction, and the legal costs to draw up the purchase option agreement. Ideally, when entering into an option, you should genuinely intend to buy the property. You would also need to have Power of Attorney in place to sell a property that you don't own at auction, and this is something your solicitor will draw up when putting the purchase option in place.

WHEN TO BUY AT AUCTION

Although some of my clients have been able to pick up some great deals at auctions, personally, I feel that most buyers end up paying too much. There are three different occasions that you can bid on an auction property …

You can do it in the room on the day, which is what most people do. If you are competing with everyone else, you may end up paying too much.

> "You can put in an offer before the auction. If the seller accepts, you would normally have to exchange contracts before the auction and then complete under the auction conditions (ie, within 28 days). You can bid after the auction if the property failed to reach its reserve and thus didn't sell."

Regarding the third occasion, let's think about the seller's situation here for a moment. One of main reasons people sell their property at auction is because they want speed and certainty. If it fails to sell, then they are likely going to be even more motivated to find a solution, and you could secure a very good deal after the auction.

While you could do a straightforward purchase, because the seller is more motivated and depending on their circumstances, you may be able to secure a purchase lease option. This is when you have the right to buy the property in the future for a price agreed today, and in the meantime you rent it from the owner and take on full responsibility.

If the seller's reason to sell the property was because they didn't want the hassle or responsibility liability anymore, they might be happy for you to take it on. If there was a problem with the property that needed fixing, then having a PLO will give you time to fix it before buying it. The only time this doesn't work is if the owner is selling because they need the cash from the sale — generally, with a PLO, they're not going to get the money now, they'll get it at some time in the future.

To make this a legally binding contract, you will need to pay a consideration fee, otherwise known as an upfront option fee. This can be as low as just £1, but for a great option, you might consider putting in more money. Whenever using PLOs, it's very important to understand the seller's situation, their motivation and drivers. For example, the owner might not want the property anymore, but they do want to get the equity out.

As investors, we typically put in a 25% deposit when we buy a property. If the owner's equity in the property is less than 25%, then giving the owner all of the equity might still work out less than what we would have put in as a deposit. Also, we won't have to get a mortgage because there's already one in place, and as long as there are favourable conditions, the monthly payment to the owner may still be less than if we were to take out a mortgage ourselves. This transaction can be done very quickly.

If someone was buying a property under normal circumstances, it would usually take two to three months. As auction conditions are 28 days, then we can absolutely get a purchase option agreement put in place and secured within that time, therefore giving the seller speed and certainty. There is a great example of this in the latest edition of my book Property Magic on page 141.

PLOs are one of my favourite property investing tools because they work in conjunction with every other property strategy. If you are doing single lets, HMOs, commercial to residential conversion, serviced accommodation, you name it, in the right circumstances you can use PLOs to control the property, gain cash flow and equity growth on property that you don't even own.

However, the biggest challenge with PLOs is that most people don't understand them. For this reason, in the first two weeks of July, I am running a live online masterclass. It's a full day of content spread across four evenings, so that everyone can attend this training at no cost and understand how to use this incredibly powerful tool.

You can access all of this training at no cost by visiting: **www.PLOtraining.com** but you ned to be quick, because the first session is on the 1st July. If you're reading this after that date, then don't worry, the recordings will be available until mid-July. Take action right now and secure your place on this free options masterclass.

Until next time,

Invest with knowledge, Invest with skill

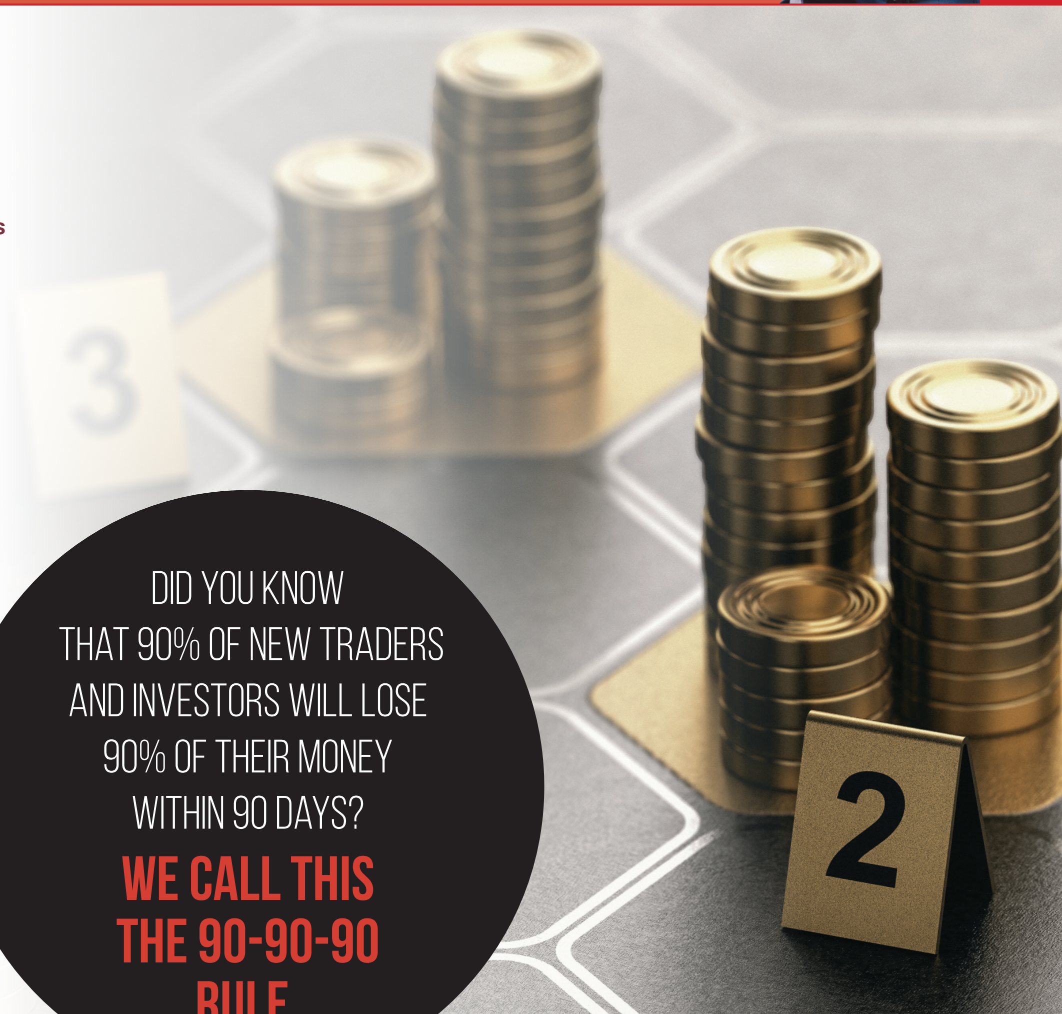
Best wishes,

Simon Zutshi

Author of Property Magic
Founder of property investors network

HAVE YOU HEARD OF THE 90-90-90 RULE?

By **Marcus de Maria**



In the last few weeks, the crypto market has been experiencing its inevitable pullback, causing many to doubt whether you can make any money in this market. The volatility of cryptocurrencies is something many traders are still getting accustomed to and the emotions that come with that.

Two of the most important lessons I teach are to never let your emotions influence your trading and investing, and always have a strategy. I'm going to repeat the last one because of how important it is –

ALWAYS HAVE A STRATEGY!

This trend is because people start trading and investing without a strategy. Knowing how is only part of the battle if you do not have a plan in place. It's all well and good having a working knowledge about trading and investing, but if there is no method in the application, then, more often than not, it will fail.

So how do you become part of that elusive 10% and escape this trend?

Without pre-defined rules, traders will make decisions that are erratic and full of emotion. It can leave them buying and selling in all the wrong places at all the wrong times. By coupling the know-how with the execution of a strategy, even the most novice of traders and investors have the foundations to make a profit.

When finding the strategy for you, proceed with caution, there are many strategies out there, some proven, some experimental, and others that don't work at all. You need to take the time to find the strategy that fits with your financial goals, so how do you choose?

THE SOLUTION: Research. If someone is determined to be a successful trader and investor, then they will do whatever it takes to succeed.

DID YOU KNOW THAT 90% OF NEW TRADERS AND INVESTORS WILL LOSE 90% OF THEIR MONEY WITHIN 90 DAYS?

WE CALL THIS THE 90-90-90 RULE.

That's why I wrote my book The Lunchtime Trader. I wanted to provide people with a resource from which they could learn the do's and don'ts as well as follow my proven successful strategies.

I also wanted to document my 18 years of trading experience so people could escape the same pitfalls I did. It's out there, for all to access, simple online research leads you to the download link, but I wonder how many people even make it as far as the search engine?

I say that because as well as always having a strategy, there is another important lesson you need to know to be successful – wealth is 80% psychology. You cannot become wealthy if you do not have the right mindset. Psychology and mindset are the foundations of financial wealth, and without them holding you upright, you can't reach the top. So already I know that people who have downloaded my book want to create wealth because they have taken action to look for a resource that can help them.

And that is how you become part of the 10%.

To download The Lunchtime Trader, visit: **www.thelunchtimetrader.com/book**.

Marcus

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

BPEC British Plumbing Employers Council – qualifications, assessments and learning materials for Building Services Engineering sector

BRR Buy, refurbish, rent out

BTL Buy-to-let

BTR Build-to-rent

BTS Buy-to-sell

C2R Commercial to residential conversion

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)

DPC Damp proof course

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

IRR Internal Rate of Return

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)

MHCLG Ministry of Housing, Communities & Local Government

MVP Minimum viable product

NALS National Approved Letting Scheme

NICs National Insurance contributions

NICEIC National Inspection Council for Electrical Installation Contracting

NLA (former) National Landlords Association, merged with RLA to become NRLA

NRLA National Residential Landlords Association

OIEO Offers in excess of

OMV Open market value

ONS Office for National Statistics

OTA Online travel agent

PBSA Purpose-built student accommodation

PCA Property Care Association, a trade organisation for specialists who resolve problems affecting buildings

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 1,500banks, building societies, credit unions, insurers andmajor 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

Reserved Matters A planning term: outstanding details of an outline planning approval to be resolved by a separate "reserved matters" application, see https://www.planningportal.co.uk/info/200126/applications/60/consent_types/6 for details.

RGI Rent guarantee insurance

RICS Royal Institute of Chartered Surveyors

RLA (former) Residential Landlords Association, merged with NLA to become NRLA

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 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:

Prescribe the nature of development

Compensate for loss or damage created by a development

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

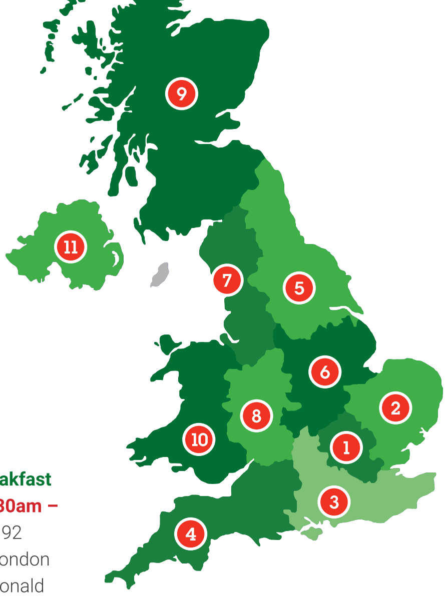
UC Universal credit

UKALA The UK Association of Letting Agents

USP Unique selling point

VOA Valuation Office Agency

NETWORKING EVENTS



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Blackfriars pin **4th Tuesday of the month** **Host:** Jo Jamison da Silva
www.blackfriarspin.co.uk

Kensington pin
2nd Wednesday of the month
Hosts: Abs and Adam Hassan
www.kensingtonpin.co.uk

Sutton pin
2nd Thursday of the month
Hosts: Peter and Johanna Lawrence
www.suttonpin.co.uk

Clapham pin
1st Tuesday of the month
Host: Paul Trowell
www.claphampin.co.uk

Canary Wharf pin
1st Thursday of the month
Host: Andrew (Rice) Holgate
www.canarywharfpin.co.uk

Croydon pin **3rd Wednesday of the month** **Host:** Elsie Ofili
www.croydonpin.co.uk

PPN London Knightsbridge
Leo Nova South, 160 Victoria Street Westminster London, SW1E 5LB.
Hosts: Pippa Mitchell & Tej Singh
progressivepropertynetwork.co.uk/knightsbridge

PPN Blackfriars Crown Plaza, 19 New Bridge Street, London, EC4V 6DB **Host:** Kevin McDonnell
progressivepropertynetwork.co.uk/mayfair

PPN Stratford International
19/07/2021
Stratford Circus Arts Centre, Theatre Square, Stratford, London, E15 1BX
Host: Motiul Islam
progressivepropertynetwork.co.uk/stratfordinternational

PPN Croydon
Host: Dez Mighty
progressivepropertynetwork.co.uk/mayfair

PPN Bank Brand Exchange Members Club, 3 Birchin Lane, London, EC3V 9BW
Host: Michael Primrose
progressivepropertynetwork.co.uk/bank

PPN London St. Pancras
Impact Hub, 34b York Way, London, NW1 9AB **Hosts:** Jamie Madill & Steve Mitchell
progressivepropertynetwork.co.uk/stpancras

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

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 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

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/Central LondonPropertyNetwork

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

Female Property Alliance
3rd Tuesday of every month
Doubletree Victoria Bridge Place SW1V 1QA **Host:** Bindar Dosanjh
http://femalepropertyalliance.co.uk

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**
Grosvenor 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/

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

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

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

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

Rent 2 Rent Live! - Tower Hill
2nd Monday of every month
The Tower Hotel, St Katharine's Way, London, E1W 1LD **Host:** Steve Curtis
rent-2-rent-live.eventbrite.co.uk

Premier Property Club Online
2nd Tuesday of every month starting at 7pm

Premier Property Club - Croydon
1st Tuesday of Each Month
Jurys Inn Croydon Wellesley Road London CR0 9XY
Founder: Kam Dovedi
premierpropertyclub.co.uk/croydon

Developers Network Knightsbridge
2nd Thursday of the month
www.whiteboxps.com/developersnetwork

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Norwich pin **2nd Tuesday of the month** **Host:** Chris Jones
www.norwichpin.co.uk

Cambridge pin **4th Thursday of the month** **Host:** Christine Hertoghe
www.cambridgepin.co.uk

Essex pin **3rd Tuesday of the month**
Host: Reegan Parmenter
www.essexpin.co.uk

PPN Ipswich **14/06/2021**
Ufford Park Hotel, Melton, Woodbridge, IP12 1QW
Host: Halstead Ottley
progressivepropertynetwork.co.uk/ipswich

PPN Brentwood
Holiday Inn, Brook Street, CM14 5NF **Hosts:** Sarah and Tony Harding
progressivepropertynetwork.co.uk/brentwood

Colchester Property Circle
2nd Thursday of each month - 7.30pm
The Greyhound Pub, High Street, Wivenhoe CO7 9AH **Host:** Phil Sadler
https://bit.ly/2Kld96t

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

Developers Network Cambridge
3rd Wednesday of the month
www.whiteboxps.com/developersnetwork

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Eastbourne pin **1st Wednesday of the month** **Host:** Lee Beecham
www.eastbournepin.co.uk

Oxford pin
3rd Tuesday of the month
Host: Del Robinson
www.oxfordpin.co.uk

Basingstoke pin
4th Wednesday of the month
Hosts: Seb and Aga Krupowicz
www.basingstokepin.co.uk

Kent pin
1st Thursday of the month
Hosts: Martin and Sarah Rapley
www.kentpin.co.uk

Surrey pin
3rd Thursday of the month
Hosts: Karen Buckley and Dominic Beecheno
www.surreypin.co.uk

Reading pin
1st Tuesday of the month
Hosts: Stephen and Julia Hollings
www.readingpin.co.uk

Southampton pin **1st Tuesday of the month** **Hosts:** Jon Woodman and Nigel Budgen
www.southamptonpin.co.uk

Berkshire pin
3rd Monday of the month
Hosts: Andy Gaught and Jonathan Barnett
www.berkshirepin.co.uk

Brighton pin
3rd Thursday of the month
Host: Peter Fannon
www.brightonpin.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 and Amy Rowlinson
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 Road 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

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
Holiday Inn London-Gatwick Airport, Povey Cross Road, Horley, Surrey, RH6 0BA **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

Hampshire Property Network
2nd Wednesday of every month
The Solent Hotel, Whiteley, PO15 7AJ
Hosts: Mark Smith and HPN Team
www.hampshirepropertynetwork.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 Event (PEN) Solent View Room at Pyramids, Clarence Esplanade, Portsmouth, PO5 3ST

The Reading Property Meet
Last Thursday of each month
Grosvenor Casino Reading South, Rose Kiln Lane, Reading, RG2 0SN
Host: Adam Vickers
https://bit.ly/2WLwMGs

Brighton Property Meet
3rd Wednesday of the month 6pm onwards The Cricketers, 15 Black Lion Street, Brighton, BN1 1ND
Hosts: Niall Scott & Matt Baker
www.scottbakerproperties.co.uk

Partners in Property Southampton
1st Thursday of the month
DoubleTree by Hilton Southampton, Bracken Pl, Chilworth, Southampton SO16 3RB **Hosts:** Sarah Smith, Sam Beddoe, Karen Stanbridge
https://www.partners-property.com

PEN Kent
1st Monday of every month, 7pm till 10pm Tudor Park Marriott Hotel & Country Club, Ashford Road, Bearsted, ME14 4NQ
https://bit.ly/2N3BLkM

Kent Property Meet
4th Wednesday of the month
Mercure Great Danes Hotel, Maidstone, ME17 1RE **Hosts:** Jazz Doklu & Chrissy Kusytsch
www.kentpropertymeet.com

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Bournemouth pin **2nd Tuesday of the month**
Interim Hosts: Andy Gaught and Jonathan Barnett
www.bournemouthpin.co.uk

Bristol pin **2nd Wednesday of the month**
Host: Nick Josling **www.bristolpin.co.uk**

Cheltenham and Gloucester pin
3rd Tuesday of the month
Interim Hosts: Andy and Karen Haynes
www.cheltenhamandgloucesterpin.co.uk

Swindon pin **4th Wednesday of the month**
Host: Leo Santana **www.swindonpin.co.uk**

Devon pin **4th Thursday of the month**
Hosts: Kevin and Sally Cope **www.devonpin.co.uk**

Salisbury pin **3rd Thursday of the month**
Hosts: Malcolm and James White
www.salisburypin.co.uk

PPN Bournemouth **22/06/2021**
The Ocean Beach Hotel & Spa, 32 East Overcliff Drive, Bournemouth BH1 3AQ **Host:** Leigh Ashbee
progressivepropertynetwork.co.uk/bournemouth

PPN Bristol Village Hotel-Bullfinch Close, Filton, Bristol BS34 6FG **Hosts:** Paul Duval & Paul Bennett
progressivepropertynetwork.co.uk/bristol

PPN Exeter Sandy Park Way, Exeter EX2 7NN
Host: Traci Cornelius
progressivepropertynetwork.co.uk/exeter

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**

Torbay Free Property Meet
2nd Tuesday of the month
Imperial Hotel Torquay, Parkhill Road, Torquay TQ1 2DG (currently online) **Hosts:** Ed & Helen Akay **www.facebook.com/torbayproperty**

Professional Investment Group (PIG) - Cornwall **1st Monday of the month**
The Alverton Hotel, Tregolls Rd, Truro, TR1 1ZQ **Hosts:** Angelos Sanders & Matt Pooley **www.pig.network**

PEN Wiltshire **Last Tuesday of the Month** Stanton Manor Hotel Stanton St. Quintin Near Chippenham Wiltshire SN14 6DQ **Host:** Neil Stewart **www.penwiltshire.com**

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Harrogate pin
1st Wednesday of the month
Host: Diane Greenwood
www.harrogatepin.co.uk

Leeds pin
4th Wednesday of the month
Host: David Dixon
www.leedspin.co.uk

Hull pin
2nd Thursday of the month
Host: Neil Brown
www.hullpin.co.uk

Sheffield pin
2nd Wednesday of the month
Host: Paul Hastings
www.sheffieldpin.co.uk

Great North pin
2nd Tuesday of the month
Hosts: Mark Fitzgerald and Tim Ives
www.greatnorthpin.co.uk

York pin
3rd Wednesday of the month
Hosts: MikeQ and Olga Hainsworth
www.yorkpin.co.uk

PPN Sheffield
Mercure Hotel, Britannia way, Catcliffe, Rotheram, Yorkshire, S60 5BD
Host: Kevin McDonnell **progressivepropertynetwork.co.uk/sheffield**

PPN Leeds
Hilton Hotel, Neville Street, Leeds LS1 4BX **Host:** Mo Jogee
progressivepropertynetwork.co.uk/leeds

THE PROPERTY HUB
1st Thursday of the Month
http://thepropertyhub.net/meetups
Leeds Dakota Deluxe Hotel, Russell Street, Leeds LS1 5RN

Developers Network Leeds
4th Thursday of the month
www.whiteboxps.com/developersnetwork

Developers Network North East
Either 4th Wednesday or Thursday of the month
www.whiteboxps.com/developersnetwork

PLEASE NOTE - Due to the current COVID-19 pandemic, events will be online or may not be running, please check the meetings websites for up-to-date information

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Leicester pin
1st Thursday of the month
Interim Host: Sébastien Buhour
www.leicesterpin.co.uk

Milton Keynes pin
3rd Wednesday of the month
Host: Reemal Rabheru
www.miltonkeynespin.co.uk

Nottingham pin
3rd Tuesday of the month
Host: Spike Reddington
www.nottinghampin.co.uk

Luton pin 4th Tuesday of the month
Host: James Rothnie
www.lutonpin.co.uk

Northampton pin 1st Thursday of the month Host: Amelia Carter
www.northamptonpin.co.uk

Watford pin
2nd Thursday of the month
Hosts: Shack Baker and Waseem Herwitker **www.watfordpin.co.uk**

Lincoln pin
4th Thursday of the month
Hosts: David Dixon and Paul Hastings
www.lincolnpin.co.uk

PPN Northampton
Hilton Hotel, 100 Watering Lane, Collingtree, Northampton, NN4 0XW
Host: Kim Hendle
progressivepropertynetwork.co.uk/northampton

PPN Milton Keynes
progressivepropertynetwork.co.uk/milton-keynes

PPN Derby Nelsons Solicitors, Sterne House, Lodge Lane, Derby, DE1 3WD
Hosts: Mike Alder & Jamie Hayter
progressivepropertynetwork.co.uk/derby

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
Hosts: Rachel Knight & Adam Bass **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

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Liverpool pin
4th Thursday of the month
Host: William Poterfield
www.liverpoolpin.co.uk

Chester pin
2nd Thursday of the month
Host: Hannah Fargher
www.chesterpin.co.uk

Manchester pin
3rd Wednesday of the month
Host: Julie Whitmore
www.manchesterpin.co.uk

PPN South Manchester
24/06/2021 Pinewood on Wilmslow, Wilmslow Road, Handforth, Wilmslow, Cheshire SK9 3LF **Host:** Mike Chadwick
progressivepropertynetwork.co.uk/wilmslow

PPN Liverpool
Marriott Hotel, One Queen Square, Liverpool, L1 1RH **Hosts:** Andrew Budden & Alison McIntyre
progressivepropertynetwork.co.uk/liverpool

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

Warrington Property Investors' Meet Up 3rd 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

Kieba Property Meet
2nd Monday of the month
Crabwall Manor Hotel & Spa, Parkgate Road, Chester, CH1 6NE **Hosts:** Kieran & Dawn Toner - Kieba Property Ltd
www.kiebapropertymeet.co.uk

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Black Country pin
4th Wednesday of the month
Host: Philip Hunnable
www.blackcountrypin.co.uk

Worcestershire pin
1st Wednesday of the month
Hosts: Andy and Karen Haynes
www.worcestershirepin.co.uk

Birmingham Central pin
1st Thursday of the month
Interim host: Peter Fannon
www.birminghamcentralpin.co.uk

Birmingham pin
3rd Thursday of the month
Hosts: Kim Opszala and Neil Chaudhuri
www.birminghampin.co.uk

Stoke pin
2nd Wednesday of the month
Interim Host: David Dixon
www.stokepin.co.uk

Coventry and Warwickshire pin
2nd Tuesday of the month
Host: Steven Ray
www.coventryandwarwickshirepin.co.uk

PPN Shropshire 22/06/2021
Hosts: Liam McCullough & Joe Lane
progressivepropertynetwork.co.uk/shropshire

PPN Birmingham
Members Club House Edgbaston Priory Club Sir Harry's Road Edgbaston Birmingham B15 2UZ **Hosts:** Kirsty Darkins, Stephen Fryer & Chris Taylor
progressivepropertynetwork.co.uk/birmingham

PPN Leamington Spa
The Saxon Mill, Coventry Road, Guys Cliffe, Warwick, Warwickshire, UK, CV34 5YN **Host:** Mark Potter
progressivepropertynetwork.co.uk/leamingtonspa

PPN Wolverhampton
The Cleveland Suite, Wolverhampton Racecourse, Gorsebrook Road, WV6 0PE
Hosts: Liam McCullough & Joe Lane
progressivepropertynetwork.co.uk/wolverhampton

Great Property Meet Warwickshire 3rd Monday of the month
Dunchurch Park Hotel & Conference Centre Rugby Road Dunchurch, Warwickshire, CV22 6QW **Host:** Andrew Roberts **www.GreatPropertyMeet.co.uk**

Saj Hussain's Property Meet
3rd Tuesday of every month (except August & December) - 6pm Novotel Hotel, 70 Broad Street, City Centre, Birmingham B1 2HT
https://www.sajhussain.com/networking

THE PROPERTY HUB
1st Thursday of the Month
http://thepropertyhub.net/meetups
Birmingham
The Lost and Found 8 Bennetts Hill Birmingham B2 5RS

Developers Network Birmingham
4th Tuesday of the month
www.whiteboxps.com/developersnetwork

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Glasgow pin 2nd Tuesday of the month Speaker: James Edwards **Host:** John Kerr
www.glasgowpin.co.uk

Edinburgh pin
3rd Thursday of the month
Speakers: Fiona Campbell & Simon Zutshi
Host: Taimur Malik
www.edinburghpin.co.uk

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Cardiff pin 2nd Tuesday of the month Host: Morgan Stewart
www.cardiffpin.co.uk

Swansea pin 4th Thursday of the month Host: Morgan Roberts
www.swanseapin.co.uk

PPN Cardiff Village Hotel in Cardiff, 29 Pendwyallt Road Cardiff CF14 7EF
Hosts: Sean Forsey & Phill Leslie
progressivepropertynetwork.co.uk/cardiff

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Belfast pin 1st Tuesday of the month
Interim Host: Nick Josling **www.belfastpin.co.uk**

PPN Belfast National Football Stadium at Windsor Park Irish FA, Donegall Ave, Belfast BT12 6LW **Hosts:** Pete Lonton & Danielle Bell
progressivepropertynetwork.co.uk/belfast

Belfast Property Meet 1st Thursday of the Month
The Mac Theatre St. Anne's Square Belfast
Host: Chris Selwood **www.belfastpropertymeet.com**

As the current situation is changing frequently - some auctions are moving online. Please check the EIG website for the latest info.

UPCOMING AUCTIONS

LONDON

Savills 7-Jul-21 Live Stream

Harman Healy 8-Jul-21 11:00 Online Auction

Network Auctions 8-Jul-21 10:00 Online Auction

Town & Country Property Auctions London 13-Jul-21 12:30 Crown Plaza London Kensington, 100 Cromwell Road, London, SW7 4ER

McHugh & Co 14-Jul-21 10:00 Online Auction

Phillip Arnold Auctions 14-Jul-21 12:00 Live Stream

Barnett Ross 15-Jul-21 12:00 Online Auction

Strettons 15-Jul-21 12:00 Live Stream

Allsop Commercial 20-Jul-21

Acuitus 21-Jul-21 Online Auction

Barnard Marcus 27-Jul-21 Online Auction

Auction House London 28-Jul-21 12:00 London Marriott Hotel, Regents Park, 128 King Henrys Road, London, NW3 3ST

Barnard Marcus 28-Jul-21 Online Auction

BidX1 29-Jul-21 9:00 Online Auction

SOUTH-EAST HOME COUNTIES

Dedman Gray Auctions 14-Jul-21 14:00 The Holiday Inn Hotel, London Southend Airport, Southend-on-Sea, SS2 6XG

Auction House Essex & Kent 20-Jul-21 14:00 Live Stream

Pearsons Auctions 21-Jul-21 11:00 Online Auction

Auction House Sussex 22-Jul-21 14:30 Live Stream

Hair & Son 22-Jul-21 15:00 Online Auction

Nesbits 29-Jul-21 11:00 Royal Marines Museum, Eastney Esplanade, Southsea, PO4 9PX

NORTH WEST

UK Property Auctions 1-Jul-21 12:00 Online Auction

Auction House Manchester 6-Jul-21 14:00 Live Stream

Edward Mellor Auctions 7-Jul-21 12:00 Online Auction

Smith & Sons 7-Jul-21 12:00 Online Auction

Venmore Auctions 7-Jul-21 13:00 Online Auction

Landwood Property Auctions 14-Jul-21 11:15 Online Auction

Auction House Cumbria 15-Jul-21 12:00 Live Stream

Sutton Kersh Auctions 15-Jul-21 12:00

Pugh & Company 21-Jul-21 9:00 Online Auction

Auction House North West 22-Jul-21 13:00 Online Auction

Greenslade Taylor Hunt Online 22-Jul-21 15:00 Online Auction

YORKSHIRE AND THE HUMBER

Auction House Hull & East Yorkshire 7-Jul-21 18:30 Online Auction

Auction House West Yorkshire 7-Jul-21 12:00 Live Stream

Mark Jenkinson & Son 13-Jul-21 Online Auction

Sharpes 15-Jul-21 18:00 Online Auction

Auction House South Yorkshire 29-Jul-21 14:16 Live Stream

SCOTLAND

Town & Country Property Auctions Scotland 28-Jul-21 12:00 Online Auction

Town & Country Property Auctions Scotland 28-Jul-21 12:00 House for an Art Lover, 10 Dumbreck Road, Glasgow, G41 5BW

NORTH WEST HOME COUNTIES

Romans 30-Jul-21 13:00 Online Auction

SOUTH-WEST

Auction House Devon & Cornwall 10-Jun-21 12:00 Online Auction

Hollis Morgan 23-Jun-21 18:00 Live Stream

Kivells Auctions 4-Jun-21 12:00 Crackington Haven Tennis Court, Crackington Haven, EX23 0LH

Kivells Auctions 23-Jun-21 19:00 Lifton, Strawberry Fields, Lifton, PL16 0DE

Maggs & Allen 17-Jun-21 18:00 Live Stream

Robert Williams Estate Agents 9-Jun-21 Online Auction

Town & Country Property Auctions South 30-Jun-21 10:00 The Village Hotel, Deansleigh Road, Bournemouth, BH7 7DZ

WALES

Strakers 8-Jul-21 17:00 Online Auction

Woolley & Wallis 9-Jul-21 12:00 Online Auction

David Plaister Ltd 20-Jul-21 19:00 Live Stream

Symonds & Sampson LLP 23-Jul-21 12:00 Live Stream

Hollis Morgan 28-Jul-21 18:00 Live Stream

Auction House Devon & Cornwall 29-Jul-21 12:00 Online Auction

Maggs & Allen 29-Jul-21 18:00 Live Stream

Auction House South Wales 14-Jul-21 12:00 Online Auction

Darlows 20-Jul-21 18:30 Online Auction

John Francis 21-Jul-21 11:00 Online Auction

Paul Fosh Auctions 22-Jul-21 17:02 Online Auction

NORTH EAST

Auction House North East 20-Jul-21 14:00 Live Stream

Agents Property Auction 29-Jul-21 Online Auction

EAST ANGLIA

SDL Property Auctions Knight Frank 15-Jul-21 11:30 Live Stream

Auction House East Anglia 28-Jul-21 11:00 Online Auction

Durrants 28-Jul-21 15:00 Online Auction

Clive Emson Online 29-Jul-21 1:00 Online Auction

EAST MIDLANDS

Auction House Leicestershire 1-Jul-21 18:00 Live Stream

Barnes 1-Jul-21 The Towers, Botany Avenue, Mansfield, NG18 5NG

Auction House Copelands 7-Jul-21 12:30 Live Stream

Auction House Northamptonshire 21-Jul-21 11:00 Live Stream

Shonki Brothers (Narborough Road) 21-Jul-21 17:00 Live Stream

Shonki Brothers (Granby Street) 22-Jul-21 14:30 Live Stream

WEST MIDLANDS

Auction House Birmingham & Black Country 8-Jul-21 18:00 Live Stream

Auction House Staffordshire 13-Jul-21 19:00 Live Stream

Loveitts 15-Jul-21 18:30 Live Stream

Bond Wolfe 21-Jul-21 8:30 Live Stream

Butters John Bee 26-Jul-21 18:30 Live Stream

SDL Property Auctions National 29-Jul-21 10:30 Live Stream

WEST MIDLANDS

Auction House Birmingham & Black Country 17-Jun-21 18:00 Live Stream

Butters John Bee 14-Jun-21 18:30 Live Stream

SDL Property Auctions National 24-Jun-21 10:30 Live Stream

NORTHERN IRELAND

Wilsons (Northern Ireland) 24-Jun-21 19:30 Online Auction