PropertyHub Magazine

Making sense of property investment

IN IT TOGETHER

How investors are adapting to the coronavirus crisis

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Welcome

Rob Bence

Rob Dix

On the cover of our March/April issue we posed the question: what's next for property? The story inside was about the wonders of the 18 year property cycle, not a global pandemic that would effectively bring the market to a standstill.

Back when we sent the issue off to the printers in February, we knew little about the virus that would have such a catastrophic impact on lives across the world, less still about what consequences it would have on businesses and the economy.

There's no denying these are tough times, but we're here to help you through by doing what we do best: arming you with the knowledge to make sense of it all, as well as providing some welcome distraction in the form of inspiring real-life case studies from investors.

Our cover story this issue takes a look at the positive and resourceful ways investors have been adapting to the challenges. It highlights the resilience of our community of Hubbers, and provides plenty of inspiration if you're feeling anxious about the current climate.

Whether you're already investing or just starting out, this is an ideal time to top up your knowledge and get yourself in the best possible position for when things return to normality. We've packed the next 48 pages full of advice and inspiration to help you on your way.

Enjoy, and stay safe!

Rob & Rob

Rob Bence has over a decade's experience sourcing prime property investments on behalf of clients, and now oversees Property Hub's own developments too.

Rob Dix has written extensively about property investment for the past seven years. His books, including The Complete Guide To Property Investment and How To Be A Landlord, are Amazon best-sellers with hundreds of five-star reviews.

Market focus

The latest news and developments from the property industry

GOING DIGITAL

The government has temporarily changed the rules for carrying out Right to Rent checks during the coronavirus pandemic.

Landlords are usually required to meet tenants in person before an agreement is signed, and obtain proof they have the legal right to rent in England.

To make it possible to carry out these checks while respecting the rules on social distancing, tenants can now take a photo or scan their documents to send to landlords via email or a mobile app. These digital versions should then be cross referenced and verified against the original over a video call.

The new rules suggest landlords should record the date they made the check and mark it as "an adjusted check has been undertaken on [insert date] due to COVID-19".

If a prospective or existing tenant can't provide any of the documents from the prescribed list, then landlords should refer to the Landlord's Checking Service. It is still an offence to knowingly let property to anyone who does not have legal immigration status in the UK.

Home Secretary Priti Patel said: "I have introduced these temporary changes to help employers and landlords conduct checks more easily as people follow advice to stay at home to protect the NHS and save lives, during the coronavirus outbreak."

Once the coronavirus pandemic is over, landlords who have conducted Right to Rent checks in this way will be expected to perform a follow up check to ensure compliance.

TOOLS OF THE TRADE

Free portfolio management platform Lendlord has launched a range of tools to help landlords manage their buy-to-let portfolios during these unprecedented times.

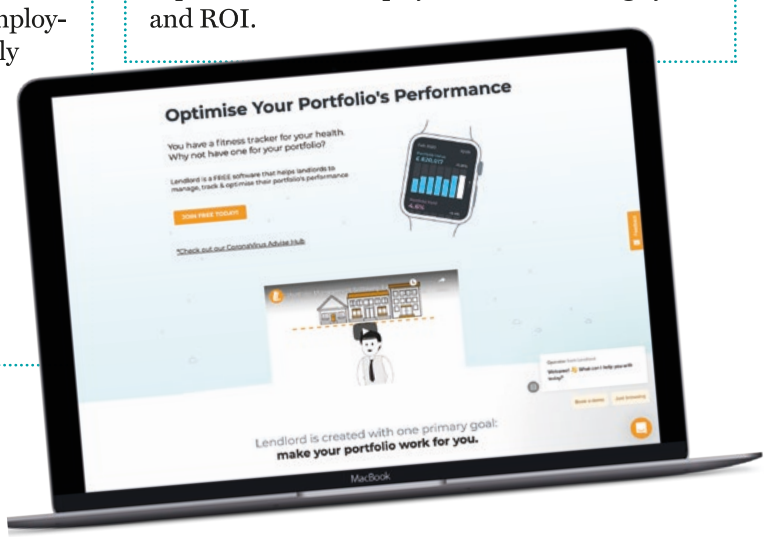
The platform is being updated every day with new resources and details on the latest changes in lender criteria and the rates that are available.

It has also introduced a new feature to help landlords calculate their rental cover ratio by stress-testing their portfolio at Local Housing Allowance and Universal Credit rates.

In addition users will find the latest information on payment holiday policies and a directory of useful resources for landlords in a dedicated coronavirus updates section on its website.

Aviram Shahar, co-founder and CEO at Lendlord said: "During times of extreme uncertainty, it is more important than ever for landlords to have access to the latest, accurate and up-to-date information to help manage their portfolios."

Lendlord's algorithm works by analysing the personal and portfolio details landlords submit so it can provide them with the most suitable refinance options. It can also be used to track monthly expenses, set rate expiry alerts and manage yield and ROI.



Doncaster Minster Canalside © Ben Harrison Photography (www.benharrisonphotography.co.uk)

DOING UP DONNY

Construction has started on a new £12m enterprise park in Doncaster, providing a home for small and medium-sized (SME) businesses.

It is one of many new development projects in the town, which is experiencing a major regeneration.

Other projects in the pipeline include Unity, a £900m mixed-use scheme delivering over 3,000 new homes as well as a public marina and transport hub, and a £30m residential development in the town's Lakeside district.

Once complete, Doncaster Enterprise Park will consist of 79 units accommodating up to 344 people.

The 90,050 sq ft site is situated three miles from Doncaster town centre and within reach of five of the UK's major motorways, Doncaster Sheffield Airport, the Humber Ports and Doncaster Railway Station.

Investor tours of the site will commence once travel and social distancing restrictions are lifted.

Richard Craker, head of commercial projects at Accumulate Capital, said: "It is more important than ever that we support SMEs across the north of England, who are too often overlooked by the government and investors."

Councillor Bill Mordue, cabinet member, added: "Doncaster is fast becoming a major enterprise, logistics and innovation hub and we are proud to be supporting Accumulate Capital's development as part of the region's regeneration."

The Robs picked out Doncaster as one of their 2020 property hotspots and we've dedicated an entire feature to it in this issue (pg 12-16).

NEW MEES

All rented properties in England and Wales must now have a Minimum Energy Efficiency Standards (MEES) rating of E.

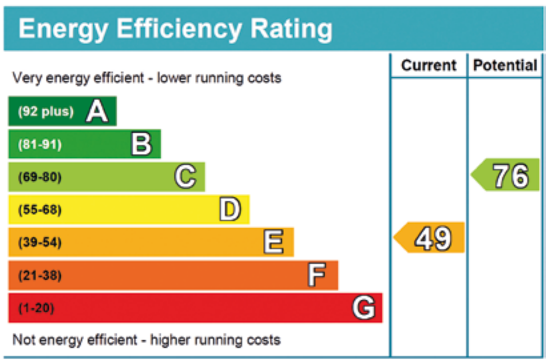
The requirement came into effect for all new tenancies in April 2018, but was extended to existing tenancies as of 1 April 2020.

This means anyone with a property that has an F or G Energy Performance certificate (EPC) rating will no longer be able to legally let it out, unless an applicable exemption applies.

The new minimum standard was also due to come into force in Scotland from 1 October, but the Scottish government has postponed its implementation indefinitely.

The government has issued guidance for those obtaining accreditation on lockdown. In cases where a property is vacant, assessments can go ahead as normal, but where a property is occupied, both parties must try to agree the transaction is delayed so an assessment can be carried out once the stay-at-home measures to fight coronavirus are lifted.

If moving is unavoidable then the rules on distancing from others to minimise the spread of the virus must be followed alongside the guidance for carrying out work in people's homes.



NEWS

INSIDE THE HUB

A roundup of what Team Property Hub has been up to

TRIPLE BILL

Ever wondered what it would be like to listen in on a private conversation between The Robs? Well, wonder no more. Not content with two weekly podcasts, the pair have introduced a third, sharing their unedited natters about the property market every Friday. Not because they have all the answers, but because they thought their chats might just help others to process everything that's going on in the market and the wider economy right now. So that's your Tuesdays, Thursdays and Fridays covered.

VIRTUAL REALITY

With the entire Property Hub team working from home, we've been trying out new virtual ways of keeping everyone connected and in good spirits. Our portfolio manager Charlie has been channeling his inner Joe Wicks and staging a live wacky workout session for us all via Zoom twice a week. Then on Fridays at 4pm the virtual Property Hub London and Manchester pubs are the place to be. We even managed a few rounds of virtual bingo at our group quarterly get-together in April.

ON SCREEN

If you haven't checked out our YouTube channel since the last issue, then there's plenty to catch up on. The Robs have released new videos revealing their top tips for boosting property profits, answering those questions they never normally answer, and explaining what would make them walk away from a property deal. And if you're in need of a laugh, take a look at the bloopers video we released when we hit 10,000 subscribers. After all those years of recording and filming there was no shortage of outtakes.

MEET... ROB WIGGANS

This is Rob Wiggans, or as he's more familiarly known within the PH crew, Bobby Joe (it helps spare us all from the confusion of having three Robs). He's our land buyer and sourcing manager and knows a good deal when he sees one. Most of his time outside work is spent attempting to entertain his 22-month-old twin sons, but when he does get out on his own he likes cycling and running. He's set himself the goal of completing all the world's classic marathons by the time he turns 40 and has already got London, Berlin, Paris and Chicago in the bag. His claim to fame is that he once sold a house to Zayn Malik from One Direction who was buying it for his mum (sweet).

Fancy joining Bobby Joe and the rest of the team here at Property Hub? We're always on the lookout for top talent. Check out propertyhub.net/jobs for our current vacancies.

Stepping out of your comfort zone

Not many property investors relish the feeling of panic that can come from taking on a big project. But as John Fitzsimons finds out, for David Price, it's an essential factor in how he operates

Main photo: David Price

Above: David's latest project, a £4.6m luxury waterside gated community of five-bedroom homes, near Preston

Below: David took inspiration from luxury hotels for his latest development

"With every project I've done, I've stepped outside of my comfort zone, and I've been anxious. But that anxiety helps you focus," remarks David Price.

Indeed, the 32 year-old is so determined to keep testing himself, and keep feeling that anxiety, that every project he has taken on has been twice the size of the preceding one. His latest project project, Edgewater Oaks, is a £4.6m luxury waterside gated community of five-bedroom homes, near Preston.

While he says this constant doubling of project sizes has been a coincidence, he argues it's important to keep thinking bigger than what you think you're capable of. "If you're in a place of discomfort, then you're doing something right, you're not just stagnant. You can use that anxiety as an anti-complacency pill," he says.

Easily bored

A career in property development wasn't what David's parents had in mind for him growing up – they wanted him to get a safe job working a regular nine to five – but he says he was too pigheaded to follow their wishes.

While he did work in a more traditional role early on, as a commercial analyst for the the retailer AO.com, it was with the intention of saving up enough money to be able to purchase his first property to refurbish and sell on.

So what was it about property investment that captured David's imagination? "I knew I wanted to work in property, because I get bored really easily. I can't just sit at a desk all day long, I need to be doing something that's incredibly multifaceted," he says. "Property is great for that; I can be dealing with clients, solicitors, tradespeople, labourers, talking with the architect and negotiating the price for land, all in one day. The way that you communicate has to adapt – you basically need to wear over 20 different career hats at the same time – and I love that."

It's not just the fact no two days are the same that appeals to David; he's also an incredibly ambitious young man, and sees property as a way to reach his goals in life. "I've been obsessed with business all my life, and what people need to do in order to make a success of themselves. I look at things like the rich lists, and so many people make their money from real estate. I have very high aspirations for what I want to achieve with my life," he says.

First flip

Once David had saved some money from his day job, it was a case of identifying the right property. "I was looking at Rightmove – I probably looked at 200 properties before I actually bought one," he says.

His first purchase was a terraced house in Preston, and came through an auction. "I realised that I could pick something up at a decent price and add

INTERVIEW

value to it. I went down that route as it meant I could get a quick sale, and the products were in distress," he explains.

David admits he was a touch naive about buyers at this point, and didn't have a specific idea in mind of what demographic he was targeting. "I just looked at what was selling on that road, at what price, and in what time. I was looking at what had shifted in the market, and then making sure it did sell by making it the best product in the area.

"I panicked after I bought it, I had no idea what I was doing. I had no experience, my hands were so soft – I'd never picked up a trowel before. But I stripped out the property myself and by the end of the refurbishment I'd learned things like how to fit a carpet, put in a kitchen, strip the wallpaper, etc," he says.

This hands-on experience has proven invaluable in the long run, as David sums up: "I learnt the value of things and how long they would realistically take. When people gave me quotes for jobs down the line on other properties, I had a good idea of how long that job would actually take, and whether they were charging me a fair price."

Do what you love

At first, David combined his property projects while working full time, which he says wasn't as daunting as it may seem: "People looking from the outside would think it was difficult, but because I loved it I just saw it as something that needed to get done. It's the mindset that makes it hard or difficult – I was young at the time so I didn't see it as a tough task."

After flipping his first property he went on to do the same with a semi, then a detached. Then he took on a large multi-unit renovation. He left behind his career at AO.com in 2016 to focus full time on property, but credits the commercial experience he gained there with helping him to make a success of his future property projects. He says it gave him a better grasp on how to manage a project as a whole, rather than just focusing on the actual build.

"Lots of developers come into this industry because they are good at the physical building work, but when it comes to project managing they can come unstuck. I think a big part of why we have been successful is that purely commercial background – I'm obsessed with figures," he explains.

This keen eye for numbers has also helped David develop a good relationship with his bank manager. "We're lucky to have a long leash with our bank, but other developers have to be kept on a really short leash because they don't have a budget. Developers have 100,000 different decisions to make on projects – if you have no sanity check about much to pay for something, how do you know you will build it on time and on cost? You can't operate like that," he says.

A detailed approach

While David thrives on the challenge of constantly taking on bigger projects, and the initial sense of panic they spark, he's keen to emphasise that he's actually "super risk averse" and conducts thorough research before each project.

"I've always considered what the market is doing, what's selling and how much for. That's my benchmark. Initially if I get passed an opportunity, I'll look at the area. Is it safe for a resale? Are the products moving? And how long does it take to sell?

"I'll look at how our product will compare too. Because of the quality it will always generate a higher price, but the way I judge it is if it can work selling at the same price as everything else in the area. It's a safety mechanism, so if the house does sell at a higher price, then I can count that as a bonus," he explains.

This detailed approach includes a 14-page key performance indicator report designed by David and his quantity surveyor, reporting on every stage of the build process right down to the "mortar in between each brick".

Points of difference

From the outset, David has put a big emphasis on the quality of his projects, recognising that it helps his properties stand out from the crowd and ensure a sale. "I'm passionate about design – it's all about the feeling that a property gives you. I want to create a space that makes people feel great," he says.

This means not looking at a property as simply a house, but incorporating some elements of luxury that are more likely to generate an emotional response from buyers. "We take a lot of inspiration from hotels, we want to bring that feeling into the home. It even comes down to little details, like the downstairs toilet where some developers will just put anything in, but we try to go for a spa feel."

He's also a big advocate of the power of social media, noting that on his most recent development three units were sold to buyers who had followed the project through his Instagram account. He posts regular Instagram stories updating his followers on the progress of a site.

"It's all about the story. If you're advertising a brick product on a website or even on the TV, people don't buy into the story of it. But when there's a person telling you why they are doing it, people are more interested. They want to see how it's put together, what you go through in order to finish it. Seeing the journey of achieving that – people buy people, in the end," he says.

Lessons learned

So what advice does David have for aspiring investors? His number one tip is to find a mentor. "The amount you can learn from a mentor in one year is what it might take you five years to learn otherwise. I went and found one, someone with a business that turns over £150m a year. I learned so much from them on business dealings, and how to treat people," he says.

How you treat the people you work with is central to making a success of a career in property according to David. He argues you get better rates and solutions when you work in a more understanding way with people: "It doesn't matter if it's a labourer, contractor, whoever – what's in it for them? What's the solution that benefits both parties, makes the process enjoyable and means they will want to work with you again? I've gone into jobs I've hated before, I never want anyone on our sites to feel like that."

Thankfully for David, it's clear that he certainly doesn't hate his current job. The only question now is just how big those future projects get.


The master bedroom 'wing' at David's Preston development

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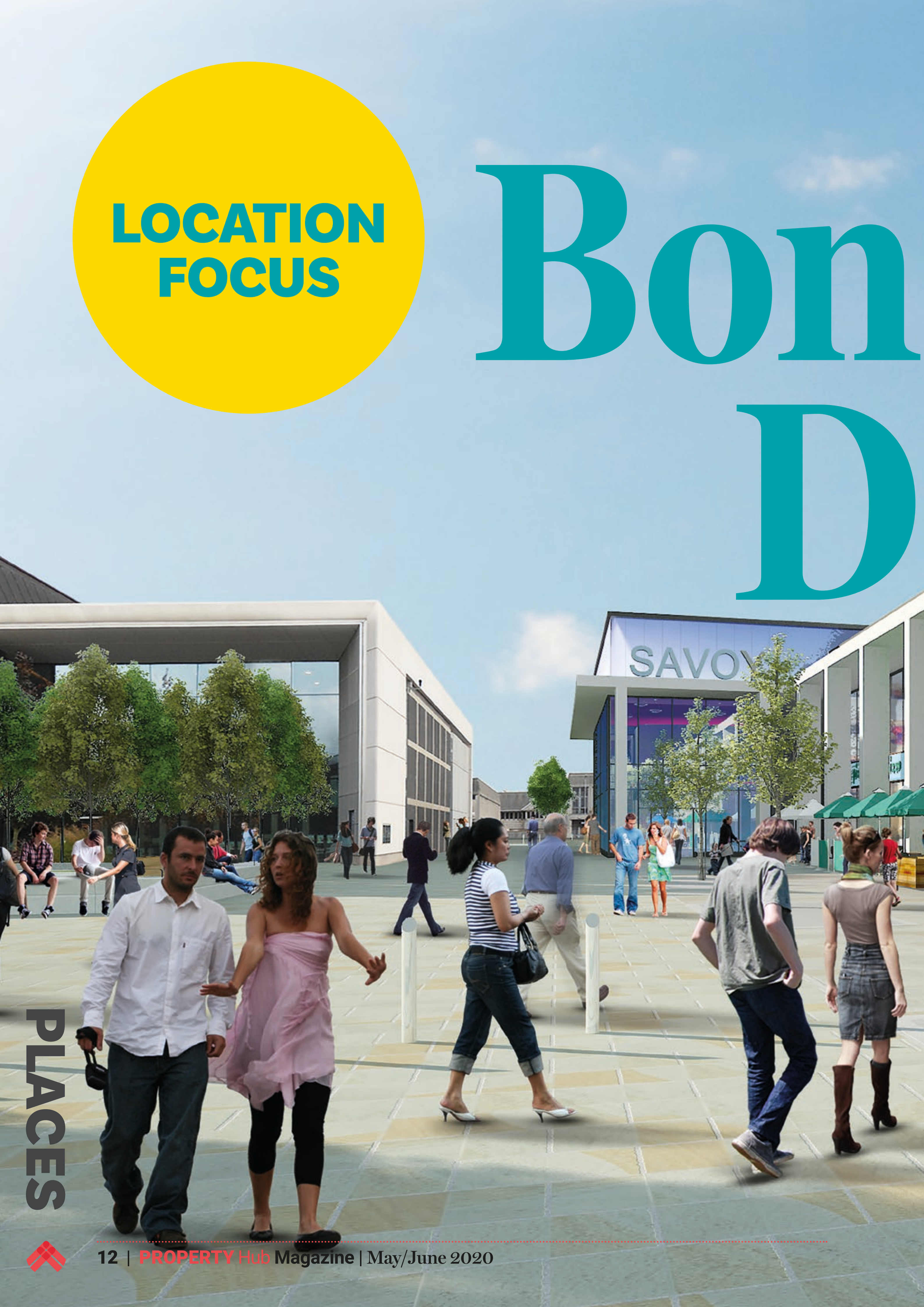

PLACES

A CGI of how Doncaster's Civic and Cultural Quarter will look. Image supplied by Visit Doncaster

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Doncaster is emerging as one of the UK's strongest property investment locations. Neil Cumins investigates why this historic South Yorkshire town is attracting international attention and achieving yields of 10%

PLACES

There are many responses to the question: "what have the Romans ever done for us?". One of the more surprising answers would be Doncaster. This South Yorkshire town was established 2,000 years ago as a Roman fort, serving as an important geographic staging post. Today, its favourable location is making it flourish once more – this time as a logistics and distribution hub. After many years of economic stagnation, it's now regularly visited by investors from the Far East, snapping up portfolios of rental properties and Houses in Multiple Occupation (HMOs). So what's made Doncaster into a global investment hotspot?

Shed or dead?

According to Kim Stones of Kimcoh Property Management and Lettings, the seeds of Doncaster's renaissance were sown six years ago, when distribution centres for Amazon and IKEA opened in the town. He cites the presence of the huge iPort industrial distribution centre, with a direct rail link from Doncaster to Europe, as the catalyst for growth: "Developers are saying if you fast forward five years, there'll be no green space around Doncaster – it'll all be sheds. The employment prospects from that will be the saviour of Doncaster. We're fast becoming a central hub for distribution warehouses."

Doncaster is now second only to Manchester for capital investment in England. In recent years, the town has welcomed a new cinema, museum and theatre, alongside its first Hilton hotel next door to the popular Doncaster Racecourse, which hosts the annual St Leger Stakes. But its most significant arrival has been new residents, attracted by opportunities for skilled manual workers. This has transformed Doncaster's rental market, according to Kim: "Most areas are renting really well. We're seeing two-bed properties close to the town centre advertised at £525 a month, which is nice when you've seen rents at £400 for ten years or more!"

Although Article 4 came into effect in Doncaster last October, the HMO market remains strong, says Doncaster-based buy-to-let (BTL) and HMO landlord Mick Flynn. "Doncaster has a lot of HMOs, but I don't think the market is saturated. Distribution warehouses are coming on-stream all the time, and on average, each one needs 500 workers. If anything, we don't have enough HMOs, as I foresee many more distribution warehouses being built over the next few years."

Hot property

Frances Bowling, deputy manager at Moss Properties, says Doncaster's central postcodes are highly coveted by buyers and tenants alike: "DN1 to DN4 are the most popular postcodes thanks to their proximity to town, Doncaster hospital and the train station." This latter point reiterates Doncaster's enviable geography, with frequent trains to London Kings Cross taking just 90 minutes, while the A1(M) and M18 merge just beyond the picturesque Lakeside Village outlet shopping centre.

High yields have attracted investors from beyond Doncaster's boundaries, according to Frances: "There's been an influx of southern investors interested in properties under £100,000 in Balby and Wheatley. In terms of rentals, the demand far outweighs the supply."

Meanwhile, Kim Stones has seen people travelling from even further afield: "We had a group from Hong Kong come over a couple of weeks ago. We presented four HMOs to them, and they bought all four."

Something for everyone

Of course, Doncaster isn't all about manual workers and sub-£100,000 properties. House price growth has averaged almost 1.5% in recent years, even amid the turmoil of Brexit. Young professionals tend to migrate to the trendy Lakeside area, whereas families with school-age children often express a preference for Barnby Dun's pretty bungalows and Bessacarr's gated mansions. Just across the M1 and the River Don, Kim Stones cites the pretty village of Sprotbrough as a firm favourite with affluent buyers, while the eastern suburbs of Armthorpe and Edenthorpe are synonymous with modern executive villas.

Across Doncaster as a whole, demand is exceeding supply, reflected in the council's ambition to see over 18,000 homes built here by 2035. Mick Flynn acknowledges the ongoing imbalance between supply and demand: "Voids are never a problem with my BTLs. I recently let one I'd just bought straight away, and I had ten people after it. It's extremely easy to find prospective tenants, so if a tenant leaves, I'm confident I can find a new occupant very easily. My latest two-bed BTL yields over 11%, after I bought and refurbished it for £56,000 and rented it for £525 per month. I also recently bought a three-bed property for £90,000 and achieved a yield of 7.9%, plus I'll make more on capital growth."

However, less desirable areas of Doncaster require caution. The traditional suburb of Hexthorpe has average selling prices hovering around £50,000, with yields of 10% achievable on its red-brick terraced villas. Yet Mick remains unconvinced: "Local knowledge is a must, as there are areas that look great on paper but should be avoided. Hexthorpe is a classic example. It's close to the town centre and near the railway station, but the tenant profile is very poor, and no sensible Doncaster landlord would invest here."

Kim Stones broadens the point: "There are streets in Doncaster where it's intimidating, with gangs of young kids trying to control the area – that does still happen." Yet he cites Hyde Park as a recent example of successful regeneration, where several streets of traditional properties were obtained via a compulsory purchase order and reconstructed into a far more appealing neighbourhood.

Doncaster lakeside buildings

Future perfect?

Despite experiencing struggles common to every town and city, Frances Bowling sees a bright future for Doncaster. "I think it will go from strength to strength. We've seen millions being invested in our communities and redeveloping the town centre, there are plans to grow Doncaster airport, and we're already a well-connected town for commuters. Big employers such as Amazon, Next and IKEA will create hundreds of jobs, if not thousands."

Meanwhile, Mick Quinn believes the rental market is ideal for new entrants: "Yields are great, and capital appreciation has lots of potential. It's the best of both worlds."

The final word goes to Kim Stones: "It feels like a crossroads, and it reminds me of 2002-3. The market hasn't come back yet but we're identifying pockets of property rises in the past two years. The growth in Doncaster is far greater than other areas which have already experienced that growth, like Sheffield and Leeds. There's no way we'd have said that three years ago."

SITES FOR SORE EYES

These are some of the current or forthcoming schemes to watch out for across Doncaster:

- **Unity**

  Marketing has commenced on a £900m mixed-use masterplan for a 250-hectare site beside junction 5 of the M18. Unity will include a marina and transport hub, delivering over 3,000 new homes and an estimated two million square feet of employment space. This 20-year masterplan has already seen construction start on a new link road between the M18 and Stainforth.

- **Gasworks site**

  A 7.6-acre former gasworks was sold in late 2018 to locally developer Lazarus Properties, which plans to create a residential-led development. Knitting into Doncaster Council's plans for its urban centre, this prominent site beside the A630 is also bordered by the River Don, within easy walking distance of Doncaster College's urban campus.

- **Lakeside**

  Ongoing development of the town's fast-growing Lakeside district includes a £30m residential scheme by Lovell, creating 147 two, three and four-bedroom homes. Plot 6 of Lakeside Boulevard recently went under offer, with plans for a mixed-use development by the waterside, close to an established 55-unit retail park anchored by Next and M&S.

PLACES

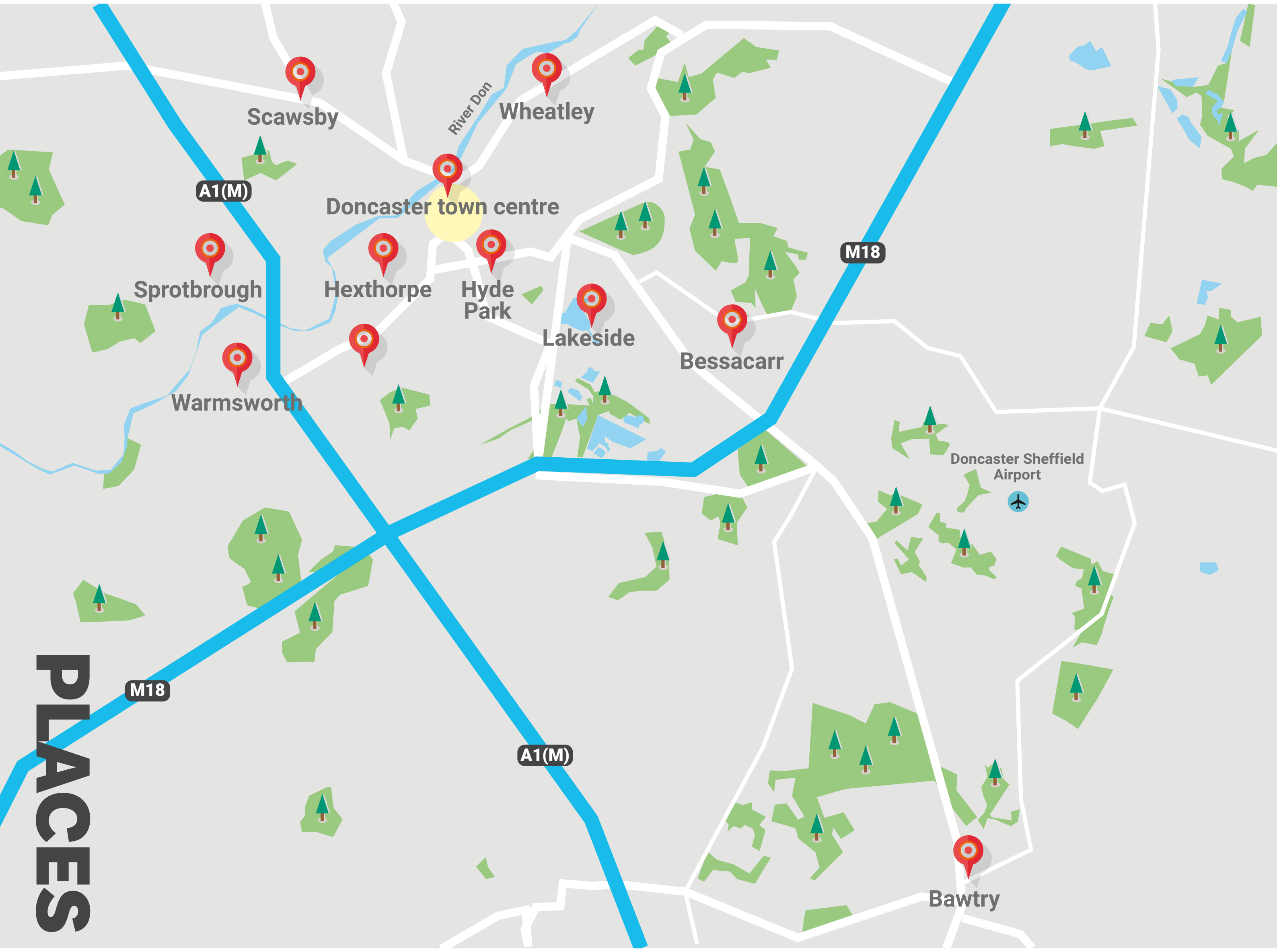
The best places to invest in

Doncaster

These are the key postcodes landlords and investors should be aware of:

- Best for high-end housing: Bawtry (DN10), Sprotbrough (DN5)
- Best for young professionals: Lakeside (DN4), Bessacarr (DN4)
- Best for students: town centre (DN1), Wheatley (DN2)
- Best for transport links: Scawsby (DN5), Warmsworth (DN5)
- Best for yields: Balby (DN4), Wheatley (DN2)
- Best for capital appreciation: town centre (DN1), Balby (DN4)
- Best avoided: Hexthorpe (DN4), Hyde Park (DN4)

Doncaster Culture and Learning Centre
Image supplied by Visit Doncaster



PLACES

IN IT TOGETHER

The coronavirus crisis has disrupted everyday life as we know it. How we work, live and play have all completely changed. Chantelle Dietz finds out how property investors are adapting to these changes

It's too early to tell exactly how coronavirus will impact the property sector in the long term, but for now it is presenting a new set of challenges for property investors. Here are some of the positive and resourceful ways investors are navigating our new normal.

Showing compassion

Landlords aren't usually classed as a caring bunch, but amid the negative news reports of evictions, there have been heartwarming stories demonstrating kindness and grace.

A property investor known as 'Landlord Chris' gained mainstream media coverage for the support he showed to his tenant. Comedian Amy Gledhill wrote on Twitter she'd been left in tears after Chris sent her a reassuring message saying she didn't have to worry about rent for now.

The message read: "I wanted to let you know that whatever happens with your work I want you to feel secure in the house. We can work something out if your circumstances change and I hope you know we're approachable. We're living in a crazy time so take care of yourself and your family."

It prompted widespread praise with some saying everyone should 'Be more like Landlord Chris'. Inspired by the story, @flatcap_chap got in touch with us on Instagram to say he'd sent his tenants a similar message. Elsewhere, @kerrycherrie said he was offering a delayed payment plan whereby tenants didn't have to pay rent for the next few months and @tomevvans revealed he was allowing tenants to work on his farm in lieu of rent.

As the pressure on those helping to manage the crisis began to increase, Property Hub received numerous calls and messages from property owners wanting to offer accommodation to frontline workers – free of charge. One landlord was able to house an A&E nurse who'd been forced to move out of her home because her mum was in the high-risk category and was living in a hotel.

> One landlord was able to house an A&E nurse who'd been forced to move out of her home because her mum was in the high-risk category

Maintaining contact

Keeping open lines of communication has always been an essential part of landlord best practice, but it has become especially important in these uncertain times.

Landlord Azid Gungah told us several of his tenants have lost their jobs as a result of the crisis. One, a former chef, was worried he wouldn't be able to pay his rent. "He admitted that he and his wife had been so worried for the past three weeks. They'd both lost their jobs.

"I reassured him that we would work out a payment plan, which was both reasonable and fair given the situation, and that we will recoup the arrears, once their Universal Credit payments came through. Needless to say he was super relieved and grateful."

As well as setting up payment plans, Azid has been offering advice and support for those applying for Universal Credit. "We have created a one-page document educating tenants around the application process, including what information they need to have and how to download the app. We've also been offering to provide translation support on the phone, if needed," he says.

The way Azid sees it, landlords have two choices: "These people – through no fault of their own – are facing the worst financial times of their lives. You can

I'm taking advantage of the fact everybody has time on their hands. I'm connecting with as many agents and investors as possible to build my picture of Nottingham, so that when things return to as they were, I'm ready to snap up any deals that are out there

Above: keeping open lines of communication has always been an essential part of landlord best practice

Right: staying indoors can be a time to work through job lists and refine strategy

either make it worse for them, or help them through the situation."

He anticipates his profits could go down by as much as 50-60% over the next few months, but he strongly believes the approach he is taking will help business in the long run. "Once we are out of the woods, we will be rewarded with a higher customer satisfaction and retention rate," he says.

Turning negatives into positives

With social restrictions putting a stop to free movement, it's been difficult for landlords to go about their daily business, but some investors are seeing this as an opportune time to do some of the things they've been meaning to get round to for a while.

"Having to stay indoors and not go anywhere is giving me time to tick off the things I've been avoiding on my 'big job' list," says Dan Coachafer who has a portfolio of 14 buy-to-lets. "I see it as an opportunity to get my ducks in a row and refine my strategy."

Dan is using the extra time indoors to research a new patch. "I'm taking advantage of the fact everybody has time on their hands. I'm connecting with as many agents and investors as possible to build my picture of Nottingham, so that when things return to as they were, I'm ready to snap up any deals that are out there.

"I know my due diligence and research on the area is going to be better than it would be if I wasn't restricted. I can't physically go there, so I need to find out everything about it, down to the street level. By the time I go, it should be almost like walking into a place I know. The restriction is almost a positive because it's going to make me go that extra mile," he says.

Remaining optimistic

Keeping a positive mindset in times of crisis can be a challenge in itself, but it's critical if we want to weather the storm, says Chris Ryder: "I'm not suggesting it isn't hard, we've had to cut back on costs and reduce the hours of our staff – these are worrying times – but

Investors have been picking up deals by putting themselves on agents radars

our attitude shouldn't just be to survive, but to thrive. Mindset is really important."

Chris and his wife own a diverse portfolio of single lets, Houses in Multiple Occupation (HMOs) and short-term lets. Their short-term lets, which they'd normally rent out to holidaymakers or contractors, have been the hardest hit.

"Business had almost ground to a halt, but now we're seeing a lot of demand from key workers and NHS staff that can't live in their family home because they are at risk," Chris explains.

He's confident that once restrictions are lifted, these properties will see a surge in demand. "I think people will be put off travelling on planes for a while, so staycations will be popular," he adds.

In Chris's opinion the best property deals for investors are yet to come: "It's early days yet. There's already been a softening of prices, but my tactic is going to be to wait a bit. I think the better deals will be coming up from the end of May onwards."

Pulling together

Every person we spoke to highlighted how the property community is pulling together and supporting each other through these tough times.

Luke and Alex Spooner own a portfolio of investment properties along with their father and three brothers. The family also run their own construction business, which was drafted in to help build an emergency hospital in Cambridge for treating coronavirus patients.

They've been bowled over by how many people have been willing to help out. "We've had people helping us pick up materials and companies that have had to shut down offering us use of their vehicles," says Luke.

Meanwhile, Chris and his wife have had guest referrals from hotels they'd usually be competing against. "Even though they're closed, they're still getting enquiries from key workers, which they've passed on to us. I've been really surprised how positive the response has been. It has really brought people together after a divisive Brexit," he says.

HMO landlord Jemal Mazlum says his fellow investors have been a great source of counsel: "I've thrown a few messages out to other investors and everyone has been so supportive. Whatever your issue is, it's likely someone else is either going through the same thing, has already been through it, or may experience it later on. In all these situations you can pick up some great advice."

Being proactive

Before the official lockdown was imposed Alex Spooner made it his mission to view as many properties as possible, knowing that when the lockdown came, in-person viewings would be off the cards and competition would be virtually depleted.

"We picked up a few deals doing this, one of which was a property that came on the market a day before the lockdown. We viewed straight away and, as a result, were the only ones who got to view it. Our offer was accepted and we're on our way to completion. The lender has instructed a drive-by valuation rather than place the mortgage on hold," he says.

A bit of quick thinking also helped Dan Coachafer pick up property that another investor had pulled out on. After lockdown, he rang around his local estate agents to let them know he was still in the market for deals. "I wanted to put myself on their radar so that if anything did come across their desk that was a cracking deal or needed shifting quickly, they'd know I could be called on," he says.

He's even been back in touch with the vendors of properties he's had offers rejected on to let them know his offer still stands, should they have a change in circumstance. "Potentially these vendors could now be in a difficult position, where they've had a sale agreed and nobody will buy their property, but they still need to sell. If we can come to a win-win arrangement together with the numbers working for me and helping them then I don't see it as taking advantage in any way," he explains.

Preparing for recovery

With less time spent travelling and socialising, investors are finding they have more time to dedicate to focusing on their goals and educating themselves. "I'm determined to come out of this stronger, healthier and more informed," says Steve Garrett, who first started investing in property last year. He now has two HMOs in Liverpool and has recently bought two off-plan properties through Property Hub Invest.

"Those people planning on watching ten seasons of Friends, or playing Call of Duty every day are just going to waste their time," he adds. "If I'm not working, I'm spending every minute educating myself. I'm reading books, listening to podcasts – anything I can get my hands on."

Property Hub's Rob Dix considers this an ideal time to get yourself in the best possible shape for when normality is restored. He recommends taking tax advice, working with a broker, and getting your deposit funds together so you have everything in line for when the time is right to invest.

Beyond this, he believes there's the opportunity to consider the resiliency of your business. "The complete shutdown caused by the coronavirus is exceptional, but there will always be tough times in business – so what can you put in place to better ride out these periods in future? The answers might include a larger emergency fund, insurance, or reducing costs," he says.

Once everything is un-frozen there will be a period of adjustment, which will undoubtedly bring more challenges. "There will be a lot of issues to work through like negotiating payment plans with tenants, progressing with eviction action, a heavy workload for surveyors and lenders trying to get a backlog of cases through, and so on.

The complete shutdown caused by the coronavirus is exceptional, but there will always be tough times in business – so what can you put in place to better ride out these periods in future?

"There's also likely to be a sudden spike of activity in terms of more property coming onto the market, and tenants looking to move who'd paused their plans for a few months. All of this will produce widespread challenges, but opportunities too," he adds.

Jemal is preparing for these opportunities by freeing up as much cash as he can. "If lending tightens and becomes a lot harder, then those with cash will be ahead of everyone else.

"If you can purchase using cash you'll be ahead of 99% of the others in the market who may be struggling to get a mortgage at this time, therefore eliminating the majority of your competition.

Anyone selling a property now is really doing it because they have to, not by choice. One thing to bear in mind is more millionaires are created in recessions then in any other time, so be ready," he says.

First time

Friends and co-workers Tom and Kyle reveal how listening to The Property Podcast provided them with the encouragement and confidence to embark on their first flip together. **Noora Ismail** reports

Kyle (left), Tom (right)

Above and right: the property after the refurb

Photos courtesy of steveelliottimages.co.uk

CASE STUDY

flip

Having dabbled in other forms of investment, friends of 15 years Tom Deacon, 33, and Kyle Farrow, 29, made their first offer on a property in 2019.

With over a decade of experience working together as heating engineers on Building Management Systems (BMS) the pair already possessed many of the skills needed to renovate a home, while Kyle had previous experience flipping two properties with his father.

Kyle says listening to The Property Podcast made the notion of investing in property much more accessible: "Property is more relatable to our day jobs – we've both come from working on the tools. It's also more forgiving over time than other types of investment."

Securing the deal

The duo decided to look for two and three bedroom houses that they could renovate and flip to generate as much capital as possible. They began their search by trawling Rightmove and contacting local agents in their home town of Shrewsbury as they wanted to be able to carry out as much of the work themselves as they could. They found a number of potential two-to-three bedroom properties ripe for renovation, but on viewing they turned out to be less appealing. The worst one they saw was £50,000 more than their assessment of its true value.

"The place was full of dirt and I had to pull my top up over my nose to cover the smell, it was like the houses you see on those cleaning programmes. I had to climb through the window to access it and the next door neighbour had taken over the garden as his own. It was in a serious state which is what we were looking for, but the price it went for was well out of our reach," explains Tom.

Eventually they found a repossessed three-bedroom house that ticked all the boxes marketed at £140,000. The photographs demonstrated plenty of potential and the numbers worked well. Finding it was the easy part, securing the deal was much more challenging. Their initial offer of £116,000 was rejected, but they clinched the deal the third time around after their second offer was outbid by another prospective buyer. "Someone else offered £125,000 which was accepted. We offered £126,500 which was then accepted. It was pretty much at the high end of what we could offer," says Tom.

The property remained on the market even after Tom and Kyle had their offer accepted, putting them at risk from being gazumped at any moment, so they had to move quickly. "We were nervous when we actually won the house. We were wondering how we were going to afford to get everything financed. We borrowed cash from friends and family to close quickly. We've never done that before so it was very nerve wracking," explains Tom.

Getting to work

Having picked up the keys Tom and Kyle got to work on clearing out the property. It had been empty for 13 years and there was a lot of rubbish left behind by the previous owner. "The garden took two solid weeks to clear; the previous owner had flattened a shed and there was material strewn all across the grass. It was like a jungle," says Kyle.

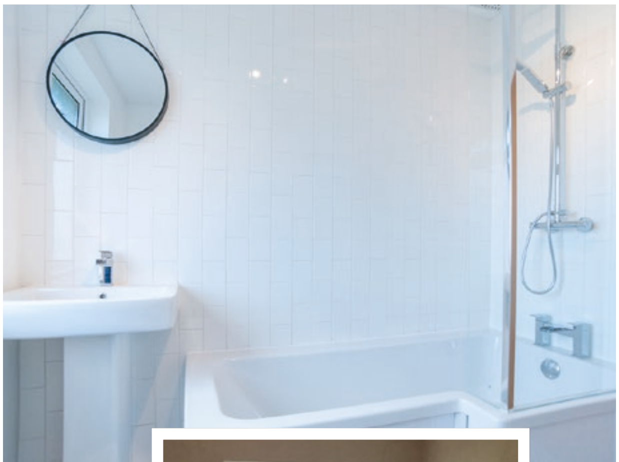
There was also some slight structural movement at the front of the house which they had identified beforehand and worked into their costs. The inside of the house, however, was in fairly good condition. The pair discovered pre-prepared footings for an extension which they considered taking advantage of, but this would have eaten significantly into their profits so they decided against it. Instead, they stuck to their original plans of carrying out a full renovation and knocking through to an old outhouse to maximise space in the kitchen/dining area.

Above: kitchen after refurb

Left: kitchen before refurb

TOM'S TOP TIPS

- Get to know the area you are investing in, in detail. Due diligence is key to success; research sold prices on Rightmove and Zoopla. Speak to local agents to see if they think it will sell well at the end, check the amenities.
- Don't jump straight in for the first property you see that needs work. Without any previous experience it's important to find a builder to formulate a budget and add that important contingency, otherwise you could end up losing profit at the end.
- Put together a team you trust. Try and get recommendations and then hold on tight to the good ones and always pay them fast. Our aim is to be their favoured client so our work gets prioritised knowing they will get paid quickly. If we get messed around badly, we don't let it happen twice and will work with a different person/ company next time.
- Before offering on a property, calculate three offer prices based on making 20%, 17.5% and 15% profit on all costs. This includes the full purchase price, refurb costs, utilities and any other associated costs with the purchase and then selling on again.



Above: bathroom after refurb

Right: bathroom before refurb

"The only major thing we didn't expect was there was already an existing extension with a solid concrete roof that we had to break down and bring up to scratch for building regulations," says Kyle. "The walls were fine structurally but the roof was solid concrete so we demolished the roof and replaced it with a new timber flat roof with a nice skylight," adds Tom.

Tom and Kyle wanted to do as much of the work as they could themselves to keep costs down, but also as a way of learning on the job. They installed the electrics, refurbished the bathroom and did all of the menial labour work. Kyle and his father built the decking outside and they used a team of builders to do the rest. "We stripped out the heating systems, lifted the floorboards for the builders and took out the central wall between the kitchen and dining room to make it open plan," says Tom.

Kyle moved to Nottingham during the renovation, so had to travel back to Shrewsbury on the weekends, which were mostly consumed by the project, spending eight to nine hours a day on the property. Work was also squeezed into weekday evenings and around their day jobs. "It has been tough, but we've learned so much about projects and trade. On the next one we will be project managing a bit more," he says

CASE STUDY

Left: kitchen/diner and view of garden after refurb

Below: view of garden before the refurb

All worth it in the end

The pair admit they were tempted to hold on to the property after all of their hard work, but they put it back on the market in February, priced at £275,000.

One of the key lessons they learnt from the project was to make sure the contingency fund is generous enough. "We allowed 10% for contingencies and we used all of it and went just over by £500. We would probably add an extra 5% for our next project," says Kyle.

They agree it's also worth building in a contingency for time. "If someone doesn't turn up or something doesn't go according to plan it can have such a knock-on effect," he adds.

Tom says his favourite part of the process was finding the property and making the figures stack up, while the best part for Kyle was seeing the end product after all their hard graft: "In the middle it looks like nothing is changing, but in the end you have made a nice home for someone. When you take a step back and see the progress you have made, it's amazing, it makes it all worth it," he says.

What's next?

Tom and Kyle have caught the renovation bug and found their next project before their flip even hit the market. They intend to be more hands off with this next one – a House in Multiple Occupation (HMO) – near Tom in Shrewsbury. They have attained planning permission to turn the five-bedroom Victorian property into a seven-bedroom house.

Their long-term goal is to build a portfolio together and eventually replace their incomes with property, turning it into a full time job.

Reflecting on the project Kyle says: "We just wanted to achieve a renovation in a property to a really good standard. You see other people doing it and it's nice to do it yourself. It was a massive challenge and we feel like we have overcome a lot with it."

RUNNING THE NUMBERS

Tom and Kyle's three-bed house in Shrewsbury

Purchase price: **£126,500**

Deposit/reservation fee: **purchased cash**

Professional fees: **£2,034**

Stamp duty: **£3,825**

Development costs: **£66,807**

Done up value: **£275,000**

Projected profit: **£60,000**

Update: the property went on the market at the end of March, the same week the government put a stop to in-person viewings. Tom and Kyle's plan B is to move the house on to a BTL mortgage and rent it out, which Tom says should cash flow approximately £350 – £400 PCM

If you have an interesting property case study (good or bad) we'd love to share your story. Email us with some information and photos and we'll get right back to you: hello@propertyhub.net

By popular demand

Every landlord in the land wants their property to be snapped up as soon as it hits the market, but many of us underestimate the crucial role supply and demand can play in our success

FEATURE

Data science suggests there's an optimum time to do pretty much anything these days. Want to buy a new car? Do it at the end of a quarter. Have to schedule an important meeting? Book it at the start of the week. Need a nap? Take it in the afternoon from 1pm-2.30pm.

When it comes to letting a property, the situation is much more nuanced. The speed in which you'll get your property tenanted and the amount of rent you'll achieve can vary wildly depending on the market conditions in your area at the time. And if recent events have taught us anything, it's that these conditions can change quickly without little warning.

Rental properties are subject to shifts in the balance of supply and demand, just like any other market. When demand for a specific type of home is high, the number of interested tenants per property increases, pushing up prices in an area. In this scenario, the likeliness of a property being left empty for any length of time is extremely rare.

In contrast, when there's plenty of rental stock available, there's fewer interested tenants to go around, meaning landlords have to get competitive with their pricing if they want to avoid having their property sit empty with no rental income coming in.

It's an economic model we're all familiar with as consumers: plentiful goods are cheap, scarce goods cost more. The greater the scarcity, the higher the price.

The spread of the coronavirus across the UK has led to a drop in demand for new rental properties. Moving home isn't even an option for the majority of people right now, but this demand will quickly return as things start to pick up and public sentiment improves. So now's a good time to brush up on your knowledge.

Looking locally

Recent pandemic aside, demand for private rental properties across the UK has been rising steadily year in, year out for the past two decades. The number of people renting homes has increased by 63% in the last 20 years, growing from 2.8m in 2007 to 4.5m in 2017, according to data from the Office of National Statistics. This group is largely made up of young people in their mid-twenties to thirties, however, many more people in their mid-forties to fifties are now renting than back in 2007.

Yet looking at the UK as a whole paints a misleading picture. Much of the demand for rental properties has been predominantly focused in our major towns and cities. In London, for example, demand quite often outstrips supply. According to data from Knight Frank, the number of new prospective tenants in Prime Central London (PCL) increased by 33% in the year to January 2020 compared to the previous 12 months.

Working out the rental demand in a specific area is easy enough to do if you know how. Rightmove and Zoopla are both great resources for drilling down into and assessing local market conditions. You can quickly check how many listings are advertised in your area and how long they've been on the market for. By using the filters you can see those properties that have already been tenanted or have a let agreement in place.

The speed in which you'll get your property tenanted and the amount of rent you'll achieve can vary wildly depending on the market conditions in your area at the time

It's also worth paying close attention to factors that could affect your local market. A new business hub or improved transport links will help attract more people to live there heightening demand, whereas the closure of a factory or an influx of new developments could cause demand to be diluted.

In order to maximise your chances of getting a property let quickly and achieving a good return, you'd think the most logical strategy would be to invest in areas where demand is high and supply is low. But, as Property Hub's lettings operations manager Jess Hay-Chantler explains, this comes with its own set of risks:

Tenant demand can fluctuate dramatically from one month to the next

"It's all about scale, if the demand is high and supply is low, your property is going to get snapped up for the best rent you can get, although you do tend to run a risk of losing out long term. Those places where demand is high and supply is good are places that are normally very safe in relation to capital growth, the two tend to work hand-in-hand.

"By just chasing high yields you could lose value on a property from a sales aspect. If you buy with a 5% yield in a city centre, yes you might incur a void, and yes you might have to take a slight reduction in rent which will affect your return, but in the long run you'll still be making profit all the time that property sits there on capital growth."

Seasonal trends

Just because the demand in a particular area appears to be strong at the time you look, it doesn't mean this is always the case. Even in our big cities, tenant demand can fluctuate dramatically from one month to the next.

Traditionally, the rental market experiences an uplift in January as a result of people making changes to their circumstances to coincide with the start of a new year. Things quieten down between February and May, then peak during the summer months, before tailing off from October onwards.

According to Jess, the peaks and troughs in the market usually tend to follow the academic year, which

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means the busiest times fall between June and September. This is especially true if you're letting out a property in a city. "There's a substantial rise in the number of students coming into the market during this time. International students often come over with high bursaries and sponsorships looking for places to live. Then you've got your graduates that have just finished uni and are staying on to work in the city," she says.

Even for families living in suburban areas, the summer months are by and large the most popular time to move. People with children don't want to be upping sticks in the build up to Christmas, or in the middle of term time.

Some landlords choose to sync their tenancy agreements with these seasonal highs to maximise their chances of finding good tenants, fast. "We advise our clients to consider offering fixed term contracts that tie the end date into the busiest cycle," says Jess. "This can sometimes mean offering an initial shorter or longer fixed term than the standard six or 12 months. By taking this approach it avoids being in the same predicament next year if they struggled to let it out initially."

A short-term reduction in rent is another way to get tenants in when the market is more competitive. "I always advise people to reduce and then reassess," says Jess. "Say for instance you've got a £500-a-month property you want to let out. It's better to take a £25 a month reduction in payments over a six month period – which equates to £150 – rather than it sitting empty and you having to pay the council tax. Then you can put the rent up once there's more comparables on the market."

Unknown unknowns

Being able to interpret when and where rental demand is likely to be at its peak is a highly valuable skill to have as an investor. Even still, there's no guarantee you'll be able to let your property out without a glitch. We know from recent experience there are factors out of our control that can have an impact on our success – factors we never could have anticipated.

Former US secretary of defense Donald Rumsfeld famously coined these the "unknown unknowns". He wasn't specifically talking about the Coronavirus, but his words ring true of our current situation, as well as providing an amusing tongue twister: "...as we know, there are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns – the ones we don't know we don't know. And if one looks throughout the history of our country and other free countries, it is the latter category that tend to be the difficult ones," he said.

It's impossible to predict exactly how everything will play out, but by using our knowledge of how supply and demand works and what economic indicators we need to be looking out for, we can put ourselves in the best possible position to make wiser, more informed decisions when the time is right.

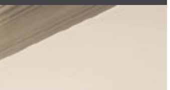
We advise our clients to consider offering fixed term contracts that tie the end date into the busiest cycle. This can sometimes mean offering an initial shorter or longer fixed term than the standard six or 12 months

FEATURE

Chris O'Hare

Rockstar landlord

Creative director and musician Chris O'Hare talks Jane Cameron through his first HMO, a back-to-bricks refurbishment in North Manchester



By his own admission, Chris O'Hare doesn't do things by halves. A former member of the 90s crossover band Eskimos & Egypt and the owner of a virtual design agency, he didn't fully get into property until he reached his fifties.

But within just a couple of years he's built up a £1.65m portfolio, including six buy-to-lets and three Houses in Multiple Occupation (HMOs) in south east London, the North East, Midlands and Manchester, all ticking over nicely, with another two HMOs in conveyancing.

"When I decide to do something, I'm a bit obsessive about it," admits Chris, who was born near Manchester but lives in southeast London. "I'll happily stay up all night in the office to learn a new skill," he says.

Doing the prep work

Despite his rapid climb up the property ladder, it's fair to say Chris hasn't rushed into anything. When he talks about his first HMO – a conversion from three self-contained flats into a six-bed home with a shared kitchen and communal area, completed last year – it's clear he's been doing his homework for some time. Not only has he listened to every podcast he can get his ears to and invested as an angel in a friend's project, but he's also done plenty of networking, completed some training and found himself a mentor.

"I would advise anybody to mix with people further in the game than you. There are a lot of hurdles to negotiate," he says. And so, once his desktop research had identified North Manchester as a suitable hunting ground for a HMO, the first thing Chris did was find a local investor networking group. Although he already had four single-let two-bed terraces under his belt, which ranged in price from £35,000-£55,000 (now worth £80,000-£95,000), he wanted to move into HMOs to boost cashflow.

He found talking to local landlords very helpful: "Although landlords have such a bad reputation, similar to bankers, I have never met such an honourable community! There is a real ethos of people helping and pulling others up. I never expected to find such a supportive network."

Above left: living room after refurb

Above top: bedroom bedroom after refurb

Above bottom: house exterior after refurb

Making arrangements

Armed with their advice, he trawled the area in his car, marking up the streets in green and red on his A to Z. His target tenants were professionals and executives. On the back of this groundwork, he then did around 30 viewings followed up with "a lot" of offers.

"With HMOs, you can't put in super-cheeky offers because they're so much more in demand than standard

Far left: en-suite bedroom after renovation

Above: during renovation

Left: the hallway after renovation

buy-to-lets. If something makes a suitable HMO, you're not going to get the discount you might get with other investments. But you add so much value that you can still pull out a large chunk," he says.

In the end Chris's big break didn't come from a property advertised online, but by spotting a good old-fashioned 'For Sale' board. He requested to view it, but viewings were weekday-only – when he would be back in London – so he paid a Manchester-based property associate £50 to look at it for him.

On the back of her first impressions, he returned the next day to see it for himself. The property was split into three flats with separate utilities, and was in need of refurbishment. Chris put in a successful offer of £149,500 against the asking price of £155,000 and got what he describes as "a formidable property bargain" which he was able to pay for in cash.

Drumming up support

In order to get planning permission to turn the property into a dwelling for six people, Chris hired a planning consultant – a move he claims quickly covered its costs. "I could have applied myself, but a consultant puts in an application in the way the planning department likes to see it. As it happened, the planner was about to go away for three weeks, but because my consultant knew him, she was able to persuade him to put my application through before he went, saving me three weeks down-time," he recalls.

Next, Chris used contacts provided by his local networking group to find the right builder. He'd learnt from previous experience not to just take the first option when putting together a team, so met with six different builders and asked for three quotes. He chose the one priced in the middle, but points out there was nearly 100% difference between the cheapest and the most expensive.

RUNNING THE NUMBERS

This is how Chris O'Hare's North Manchester six-bed HMO stacks up financially

Purchase price: **£149,500 (cash)**

Stamp duty: **£4,975**

Development costs: **£91,989**

Professional fees: **£3,785**

Total initial investment: **£250,249**

Done up value: **£260,000**

Mortgage/finance taken: **£208,000** (plus £3,120 product fees: £211,120 at 3.84%)

Monthly rent: **£3,116**

Monthly expenses: **£1,756**

Monthly profit: **£1,360**

Return on capital invested: **38.6%**

They set to work to gut the three-storey property, ripping out the stud walls that had been used to divide it into self-contained flats with bathrooms and kitchens. They took down a supporting wall and installed steel pillars, reconfiguring the building so there was a kitchen, communal area and first bedroom on the ground floor, three bedrooms on the second floor and two on the third. All the bedrooms were made "extra-large" with ensuite bathrooms, in a refurbishment that cost just shy of £92,000.

In line with his aim to attract professionals, Chris installed high-end features throughout, including chrome cup handles, a touch-sensitive hob in the kitchen and fully tiled walls in the bathrooms.

Fine tuning

Chris hired an interior designer to help with the layout, source items and "make it a bit different". He chose bespoke furniture, rather than a furniture pack and opted for a neutral grey colour scheme throughout.

Although it took four weeks longer than the planned 12 weeks, the refurb went reasonably well. One of Chris's biggest challenges was working with the different utility companies: "We needed to remove the separate gas and electric meters. They initially quoted £1,500 per meter! They were saying they needed to do things they didn't need to do. I challenged them and by the end of the day, they agreed to do it for free. So, it goes to show, you should persevere with utility suppliers."

Obtaining the Building Control Completion certificate presented another hurdle, after Chris' insurance company lost its underwriter. He was directed instead to the local authority, which requested proof of materials used at each stage of the development. Chris believes this is happening more widely as a result of the Grenfell Tower disaster.

Luckily, he had taken plenty of pictures of the property during the various stages of refurbishment and was finally awarded the certificate. His HMO licence followed shortly after – mercifully more quickly than in the Midlands, where Chris says getting one had been "like wading through custard".

Within six weeks the HMO was fully let. Being the thorough person he is, Chris mystery-shopped letting agents to find the right one. Posing as a prospective tenant, he visited several agents claiming to specialise in HMOs. "It was a bit sneaky," he says, "but the variation in service was incredible. Some would turn up late, have to clear stuff off the floor or out of the way, lights wouldn't be working, they couldn't find the keys."

Sneaky or not, it meant Chris found an agent he was happy in the end. The agent even managed to secure him higher rents than he was expecting, bringing him in £115 to £145 per room, per week, totaling £3,116 a month.

Hitting the right note

Combined with his other properties and the two HMOs he has in the pipeline, Chris is on track to generate his target cashflow of £120,000 per annum this summer, and £250,000 in three years' time. His ultimate aim is to make enough profit to be able to split his time between London and Tuscany, where his dream is to take a classical portraiture painting course and write music with his singer-songwriter daughter, Anna Grace. He also wants to use the skills he's learned on his property journey to finetune the strategy of his design business, to which he plans to eventually give only 10% of his time.

His advice to those venturing into the world of HMOs for the first time is to surround yourself with experienced people. "Don't isolate yourself. Mix with people, keep networking," he stresses. "The advice you get from family and close friends is not always the best – they're not experienced. My journey has been fast-tracked. I have loved it. It's long hours and hard work but great fun."

Top: kitchen after renovation

Bottom: kitchen before renovation

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CASE STUDY

Budget 2020: what does it mean for me?

Tackling the coronavirus was the main theme of this year's budget, but there were a few key tax announcements investors need to be aware of. Property Hub tax accountants Nicole Pearson and Jagrup Lewis explain what they are

TAX

Stamp duty hike for non-UK investors

The biggest announcement concerning the property market was the 2% increase on Stamp Duty Land Tax (SDLT) for non-UK residents. As it stands, non-UK residents pay the same stamp duty rates as UK residents with the same exemptions, reliefs and surcharges. But from 1 April 2021, any non-UK resident purchasing property in England or Northern Ireland will be expected to pay an extra 2%.

Although the 2% increase was confirmed in the budget, the legislation still needs to be finalised, so some details are still a bit sketchy, like how many days you need to have spent in the UK to be considered a resident.

HMRC's consultation document proposes that an individual is a non-UK resident if they spend fewer than 183 days in the UK in the 12 months ending with the date the transaction occurs. If they spend more than 183 days in the UK in the 12 months after the charge, they will be eligible for a refund.

The chancellor of the exchequer, Rishi Sunak, failed to mention whether this 2% surcharge will apply to limited companies too, but if HMRC's consultation document is anything to go by, limited companies controlled by one or more non-UK residents will be liable. For a company to be classed a UK resident is must: (a) have been incorporated in the UK, or (b) have been centrally managed from the UK at the time of the purchase.

The idea is to help control house inflation and help more UK residents get on the housing ladder by deterring non-UK investors. The government said it will put the money from this extra charge towards reducing rough sleeping.

EXAMPLE

Here's an example of how the new rule could impact your finances:

John bought a freehold residential property in England on 1 August 2025 for £500,000. John is neither a first-time buyer, nor does he already own another property, so first-time buyers' relief and the higher rates on additional dwellings do not apply to him. Between 2 August 2024 and 1 August 2025 John spends 275 days outside the UK. He is therefore classed as a non-UK resident according to the draft legislation, so has to pay the surcharge.

His SDLT liability is calculated as follows:

- 2% up to £125,000 = £2,500
- 4% of £125,000 to £250,00 = £5,000
- 7% of £250,000 to £500,000 = £17,500

His total SDLT liability is therefore £25,000

If John spends 183 days or more in the UK in the 12 months following 1 August 2025, he will be eligible for a refund of the surcharge.

His SDLT liability is calculated as follows:

- 0% up to £125,000 = £0
- 2% of £125,000 to £250,00 = £2,500
- 5% of £250,000 to £500,000 = £12,500

His total SDLT liability is therefore £15,000

Rate changes and freezes

The corporation tax rate was expected to be reduced from 19% down to 17% from 1 April 2020, which would have been good news for those investing in property using a limited company. However, the chancellor confirmed the rate would remain frozen at 19% until the end of the 2021/22 tax year.

Meanwhile, the lifetime limit for entrepreneurs' relief – the tax break available to those selling their business in the UK – was slashed from £10m to £1m. This will have no consequences for property investment companies, since they aren't eligible for entrepreneurs relief in the first place, but it will have an impact on those companies that trade in property – namely those who flip deals and specialise in furnished holiday lets.

Positive adjustments have been made to capital gains tax (CGT), National Insurance and allowable expenses. The annual exemption for CGT has increased from £11,700 to £12,300, while the National Insurance threshold has been raised from £8,632 to £9,500, saving around 31 million employed people £104 a year. Self-employed workers who are paying a lower rate won't save as much, but they'll still save around £78 on their annual tax bill.

Last, but not least, the flat rate expenses for working from home claimed by many of our clients as directors of limited companies has increased from £4 to £6 per week. A tax saving of just under £20 – every little helps!

The changing shape of the mortgage market

Mortgage expert Dave Cookson reflects on what has been a turbulent start to the year and shares some insight into what's to come

FINANCE

Brexit may already seem like a distant memory, but along with the decisive result in the general election it helped the first few months of the year get off to a good start. Pre-Brexit, everyone was getting to the end of their tether with the uncertainty and wanted it over and done with. Once we exited, confidence returned and buyer interest and transactions picked up, making it a much more positive market all round.

There was a significant rise in international interest in the UK property market in February, particularly from Hong Kong and China. I think many of these investors were just waiting for the outcome of Brexit and for certain boxes to be ticked before they made their move. Given the Far East is around two months ahead of us in the coronavirus outbreak, I suspect we'll see another spike in property purchases in the coming months.

We also experienced changes in the type of lending borrowers were asking for during the first quarter of the year. Ordinarily the bulk of our work comes from property purchase mortgages, these comprise 60-70% of our business with remortgages making up the rest. But between January and March we handled a surprisingly high number of remortgages, equalising the ratio to 50-50.

Unexpected turn

Everything seemed to be moving in a positive direction, then the unexpected happened. Since the spread of coronavirus we've seen a slowdown in the mortgage market. People are unsure what impact it might have on their personal finances and are holding back on borrowing. Surveyors aren't able to go on site to do valuations and some lenders have reduced the number of mortgage products they offer.

My theory is we'll experience the economic version of what it's like to do a bungee jump. We'll launch off the edge of the cliff and go straight down, but then we'll quickly bounce back. They'll be a few more shocks up and down, but eventually we'll get back up on that cliff

The Bank of England's base rate was cut to 0.25% and then again to 0.1% in March, the lowest it has ever been. We're certainly not feeling the benefits of these cuts now – in fact providers in the specialist buy-to-let (BTL) market, like Landbay, Keystone, Kensington, have actually put rates up – but we may start to feel the benefits further down the line.

At the time of writing there was a lot of talk of mortgage payment holidays. These are standard in the owner/occupier market – most lenders allow you to take a payment holiday if you've paid consecutively for the past 27 months – but not in the BTL market. However, a number of BTL mortgage lenders have also confirmed they will offer payment holidays to landlords.

Having spoken with lenders our thoughts are the same: this is a blip and we'll bounce back. The positive sentiment we witnessed at the beginning of the year has gone away, but only for a bit. My theory is we'll experience the economic version of what it's like to do a bungee jump. We'll launch off the edge of the cliff and go straight down, but then we'll quickly bounce back. They'll be a few more shocks up and down, but eventually we'll get back up on that cliff.

There has been a lot of fiscal help in the market from the government, so once things start to return to normal, I think we'll see an unexpected surge into the market, unlike anything we've seen before.

Worth noting

Looking to the long-term, two major aspects will come into play which might help to equalise prices across the country. One factor not many people are paying attention to is the type of properties which will be constructed in the future. Modular homes are eco-friendly and will help to drive down the cost of traditional building. Because six or seven of these houses can be built a week, it could absorb some of the demand for housing if it's done correctly.

The other key factor is the Northern Powerhouse effect. The powers that be are determined to take some of the economy out of the southeast and London, which makes sense because we live in a shrinking world. I'm based in Manchester, where a lot of businesses are choosing to relocate to because labour is cheap and connectivity is universal. Historically, more people move from Manchester to London each year than vice versa. But a couple of years ago there was a shift in this pattern and more people moved to Manchester from London, which was hugely significant.

You can also look at the likes of Liverpool and Newcastle, which are attracting a lot of people and becoming almost micro versions of London. London will always be an epicentre for the housing market, and I doubt you'll ever see a full equalisation of prices. But I do think you'll see a bigger distribution of wealth across the country, with an increase in lending across all the regions.

To discuss your property investment needs and find the right mortgage product for you, contact Dave Cookson and the team at Charles Louis Mortgages on 0161 959 0166 or visit charleslouis.co.uk

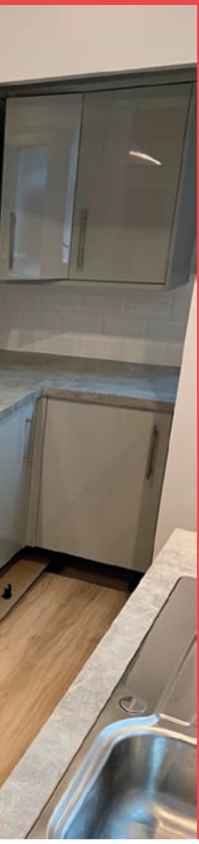
Charles Louis Mortgage Advisers is authorised and regulated by the Financial Conduct Authority which oversees all financial business in the UK. FCA registration number 759660.

The kitchen before and after the renovation

CASE STUDY

For most newlyweds, the honeymoon is a time to wind down and relax, but for Chris Bixby and his new wife Rachel, it coincided with the renovation of their first buy-to-let. Natalie Thomas reports

To have, hold, and renov



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They say the course of true love never runs smooth, but what happens when you add your first property renovation into the equation?

When Chris Bixby and his then fiancée Rachel decided to embark on their property quest last year, little did they know they'd end up micromanaging the transformation of their buy-to-let (BTL) from their South African honeymoon.

A Family affair

You could say bricks and mortar are in Chris's blood. His father and grandparents were both involved in the property market when he was a child. From building their own houses, flipping homes and managing portfolios of up to ten properties, Chris's family provided a source of inspiration as he was growing up.

"I would hear conversations about property around the dinner table and it was always in the back of my mind that it was something I would like to be involved in one day," he says.

We scoured the market for around six to eight months and did a lot of research in order to identify an area that would offer a good return on our investment

Since 2012, Chris has owned and managed his own carpet and flooring business in his hometown of Ipswich. His work over the years has proved invaluable when it comes to gaining an insight into the local area and potential BTL opportunities. "I literally know the area street by street," he says.

Finding the perfect match

Now in his thirties, Chris felt the need to diversify his income, with property investment seeming a natural choice for both him and Rachel.

"Over the past five years I've seen the market in Ipswich stumble a little and flatten, so there were a lot of properties sitting on the market at the time we were looking. We scoured the market for around six to eight months and did a lot of research in order to identify an area that would offer a good return on our investment.

Part of this research was listening to The Property Podcast. "I listened to lots of different property podcasts and The Property Podcast made it the clearest. It was also the one I trusted the most because it wasn't associated with trying to sell you onto a course or something similar," he says.

Something else the podcast was able to assist the couple with was helping them decide whether to buy their property through a limited company. They sought the advice of their mortgage broker and accountant on the matter. Due to their desire to grow their portfolio in the future they opted to buy through a limited company.

Armed with the right knowledge, Chris and Rachel began putting in some offers. "We put quite a lot of offers in, thinking sellers wouldn't accept them as they were all quite low, but we had one accepted on the very first property we had viewed three months previous," he reveals.

Above left: bathroom before renovation

Above: bathroom after renovation

Left: living room after renovation

Below: living room before renovation

The property – a two-bedroom mid-terrace – was on the market for £150,000, but Chris and Rachel had an offer of £139,500 accepted. They were able to raise the deposit needed through refinancing their residential property and releasing £34,875.00.

The area boasted strong rental yields and was near local amenities, as well as the train station – something Chris hopes will become even more beneficial in the future. "You can now take a 55-minute train from Ipswich train station to London Liverpool Street. The area is starting to touch the commuter belt and I can see it opening up even more over the next four years," he says.

In the name of love

The couple were handed the keys to their first investment property in October 2019, just four months after saying 'I do'. Chris was able to squeeze in a week's work on it before leaving it in the hands of their trusted builder, who was supposed to be making a start on the

RUNNING THE NUMBERS

Chris and Rachel Bixby's two-bedroom mid-terrace

Purchase price: **£139,500**

Deposit: **£34,875**

Mortgage: **£104,625** (two-year fixed at 2.59% interest-only)

Legals: **£882**

Stamp duty: **£4,475**

Development costs: **£9,700**

Monthly expenses: **£300**

Monthly rent: **£750 PCM**

Profit: **£450**

ROI: **6.45%** gross

renovation while they were away. However, disaster struck when the builder got tied up with another job in London.

Faced with the prospect of a lengthy delay, Chris's new father-in-law and uncle came to the rescue. Between them they came up with a plan to carry out the work while Chris and Rachel were away.

"My uncle is now retired but has always been in property development. He's a general builder and has carried out all sorts of conversions over the years; so between me, him and my father-in law, we renovated the entire property," explains Chris, who adds that they did it "for love, not money".

Chris's wife Rachel also chipped in with painting the property once they had returned from their honeymoon.

Even though his uncle and father-in-law took up the reins, Chris says it was still a stressful time. "We were trying to run a renovation project from South Africa and at one-point thought, 'have we bitten off more than we can chew'," he recalls. "It was a big learning curve for all of us."

The property didn't need any structural work but underwent a full renovation to the tune of £9,700, which included fitting a high-end kitchen and bathroom. Yet, on reflection, Chris thinks it might have been better to not spend as much on the décor. "There are certain areas where I feel we could have saved money and aren't really a necessity. Soft close doors in the kitchen for example and putting blinds up in every room, when a curtain pole would have done," he says.

Happily ever after?

By the start of this year the property was ready to be let out and tenants moved in the second week of January. "Our first rental payment coming in was a nice feeling," says Chris. The house has since been revalued at £165,000-£170,000, so the couple plan to pull out some of the equity and use it to buy another investment property.

Despite the change of plan, Chris says his father-in-law and uncle enjoyed carrying out the work and there has been talk of a second renovation together. "For our next project we are thinking we may not even need a builder," says Chris. "It would have cost us a lot more money had we used one, so it was perhaps a blessing in disguise."

The process also proved to be a valuable test for the newlyweds. "We don't always agree on everything," quips Chris. "I would say my wife is the stricter of the two when it comes to business – she does the accounts for both the flooring company and the BTL. I'm more of a laid back kind of person, but it's a good balance to have."

The couple are keeping their options open for their next property. They've talked about purchasing a flat or another single let. Chris is also hopeful they may have identified a niche in Ipswich for a House in Multiple Occupation (HMO) for medical professionals. "There are some really good properties by the hospital in Ipswich," he says.

His long-term goal is to become financially free through property and own a mixed portfolio, but he's adamant he won't be giving up his day job. "I set up a business at the age of 22. I've always been in business, it's my passion. I love running my own company, I love the challenge and I wouldn't want to retire because I enjoy it too much," he explains.

One thing Chris says he won't be doing next time is going on holiday during the refurb. "I definitely won't be going away for three weeks when we complete on a property. It was a stressful time. It turned out to be a success in the end, but next time we will make sure we are here in the country," he says.

If you have an interesting property case study (good or bad) we'd love to share your story. Email us with some information and photos and we'll get right back to you: hello@propertyhub.net

CASE STUDY

Property Geek

with Rob Dix

Seven up

The Property Podcast turned seven this spring. Rob Dix looks back on how the market has changed over the years

We must have picked one of the worst seven-year periods in history to make a podcast about investing in UK property.

We missed the excitement of the boom and the devastation of the bust, and settled in for a long period of… not much. There were major political upheavals and some significant tax changes, but you'd barely know it to look at property prices – which resolutely, boringly, crept up a bit each year.

It wasn't the worst time to be a property investor, but nor was it the best. Yet it's that total boring averageness that I think perfectly demonstrates what makes property – paradoxically – such an exciting investment.

You could have done better by not just buying the exactly average UK property, but instead picking an area that has out-performed others over recent years. The average Manchester property has gone up from £120,000 to £173,000 since 2013 – a 44% increase. In London, even though the city has struggled the past few years, prices got off to such a strong start that the average property has gone up from £305,000 to £479,000 – a 57% increase.

But let's go back to the whole UK average, because we missed an important point. If you'd been following the gospel of The Property Podcast, you'd have bought with a mortgage.

Back then

Let's imagine that the first episode of The Property Podcast was so inspiring (it wasn't – it was a bit rubbish) that you immediately ran out and bought the average UK property. In 2013 that would have cost you £163,056.

Today that property would be worth £215,925 – an increase of 32.5%. You'd have collected rent as well, but the price increase alone isn't wildly exciting: an average of about 4% per year.

The magic of leverage

Buying that UK average property for £163,000 would mean putting down a deposit of £40,750 if you were using a 75% loan-to-value mortgage. Let's add today's rate of additional stamp duty (even though it was lower at the time) of £5,630 and a generous allowance for other costs to take your total investment to £50,000.

As we've already seen, that property would now be worth £52,925 more than you paid for it. That means you would have more than doubled your money – a compound return of over 10.5% per year.

Again, that's without including all the rent you'd have collected. Without buying in an area that does better than average. Without buying a property that's primed to grow faster than the average in its area. Without getting a discount. Without getting your hands dirty (or paying someone else to) and doing any kind of refurbishment or value-adding activity. And all during one of the least exciting times to be a property investor in recent memory.

This is the power of leverage: because you're using someone else's money to fund the bulk of your purchase, it greatly magnifies the return you're making on your own money.

As anyone who's been through a crash will tell you, leverage is equally powerful in working against you if you get on the wrong side of it and prices fall. That's why the 18 year property cycle has been the concept we've talked about the most over the past seven years. By seeing a crash coming and preparing for it, you get to enjoy all the benefits of leverage while greatly reducing the risks.

The next seven years

The next seven years? Well, they're shaping up to be a lot more exciting than the last. We'd barely polished off the last of the birthday cake when the world's economy came to a crunching standstill in the most dramatic possible way.

Does the Covid-19 crisis mean investors are about to experience life on the wrong side of leverage and see their positions wiped out? Does it mean we have to throw out the concept of the 18-year cycle, because a global pandemic inconveniently turned up at the wrong time and messed up our nice historical pattern?

PROPERTY HUB PODCAST 7 years

It's early days, but so far the answer to those questions is tentatively looking like "no". Knight Frank is currently anticipating a 3% fall in property prices during 2020, which will be more than made up for in 2021. Savills is forecasting a 5-10% fall, but sees it as temporary: they're sticking to their pre-Covid forecast of 15% growth over the next five years, with a strong rebound after the initial dip.

Interestingly, Savills' original forecast was based on the Bank of England base rate getting back up to 2% by 2024 – a prospect which didn't seem likely to me at the time, but even less so now we're sitting with rates at absolute rock bottom. Lower rates for longer would support higher asset prices.

And what about the cycle? It depends whether current events turn out to be a mid-cycle dip or end-of-cycle crash. If the situation is worse than expected, financial institutions get into trouble and property prices fall dramatically, we can curse the cycle for lulling us into believing we had another five to seven good years ahead.

On the other hand, if the economy recovers relatively quickly, the unprecedented levels of government stimulus might end up sowing the seeds of the next boom – taking us into an aggressive period of growth followed by a crash, exactly as the cycle would predict.

At the time of writing, it's far too early to make firm predictions about how things are going to play out – but if you twisted my arm, I'd have to say that my money would be on something that looks more like the latter situation than the former.

Either way, we're clearly coming into a period where there's a lot of money to be made and lost, and where being educated about what's happening is more important than ever. Which is just as well, because we certainly want to be podcasting for at least another seven years.

How to... produce your own property marketing materials

If you want a property to sell or let quickly, its marketing materials need to be optimal. And as Neil Cumins explains, this isn't something you can always delegate to other people

HOW TO

Delegation can be one of the greatest challenges of a career in property. Decisions about what to outsource and what to keep in-house have kept many investors and developers awake at night. While it might free up your time and resources, there's always the worry the person you're handing over to won't put the same level of commitment and professionalism you'd put in to ensure optimal results are achieved.

Property marketing materials are a classic example of this. It's easy to appoint a selling or letting agent and leave everything up to them. They're professionals, they do it for a living, and that's what you're paying them for. And yet the internet is full of property listings with dingy photos, incorrect floorplans and glaring spelling mistakes. The omissions can be worse – no mention of the outstanding school down the road, no description of the lovely back garden, and no sense of enthusiasm beyond generic words like "desirable" and "contemporary".

The sad fact is many agents do the bare minimum, rather than doing their best. And that's why producing your own property marketing materials can be well worth the time and effort. We've boiled down everything you need to know into three main sections, ensuring you can make every property in your portfolio sound irresistible. Because nobody knows a property better than the person who owns it...

1. Property descriptions

Estate and letting agency descriptions rarely do a property justice. They're often written by junior staff members or overworked surveyors, padded out with stock phrases like "situated in a popular area, this property represents a great opportunity". You can do better than that – in fact, you'd struggle to do worse. And you don't need to write a novel to capture each property's key benefits. A couple of hundred words will cover the basics without boring people into looking at the next schedule. A bullet-point list of key attractions (detached garage, three double bedrooms, etc) is ideal for today's easily-distracted audiences.

Walk around the property with a pen and paper, writing down anything of interest or merit. High ceilings create an airy ambience, gas fires make a room cosy, and large windows add brightness, especially if they're south-facing. Look beyond the obvious – rainfall showerheads, soft-close cabinets and newly installed boilers are all examples of features which deserve inclusion in property listings. Mention wiring for Sky and/or Virgin, and remember high-speed broadband connectivity are a must for home workers and Netflix addicts. It's easy to carry out line speed checks for broadband services, which range from 11Mbps (pretty poor) to 300Mbps (when can I move in?).

Put yourself in a tenant or buyer's shoes, and think about what would impress or entice them. Unless you inherited the property (or bought it solely on the basis of its price), what attracted you to it? Look at satellite photography services like Zoom.earth to see if its garden is bigger than neighbouring homes (which might support a future extension), and roam around surrounding streets looking for local amenities like corner shops and chemists.

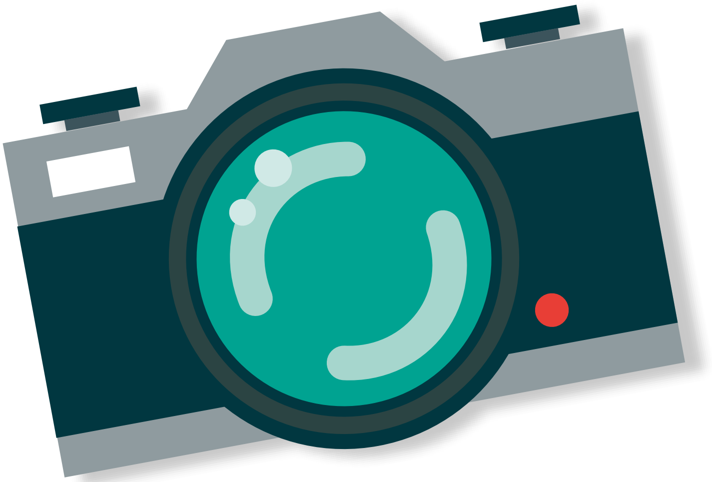
Many families will prioritise school catchments, so check local Ofsted reports for favourable reviews you can mention. And since public transport is crucial to millions of people, investigate how far the property is to the closest bus and rail networks. Don't forget parking, either; in certain postcodes, driveways and garages could elevate a property to unmissable status. You could even add basic directions from the nearest town centre or major amenity, using Google Maps to calculate optimal routes.

Property descriptions should be accompanied by room sizes, in both feet and metres. You could go old school with a tape measure, or buy a sonic measuring device online. Include measurements for every room, ignoring outbuildings, utility cupboards and en-suites/WCs. Don't try to pass off a loft with a drop-down ladder as a guest bedroom – the Property Misdescriptions Act frowns on such chicanery. Equally, don't claim there's an uninterrupted view if a pylon lurks outside the window, and never use phrases like "move-in condition" unless the property really is immaculate. Even a newly-installed kitchen and bathroom won't persuade viewers to overlook creaking doors, dented woodwork and a weed-infested garden.

2. Photography

The rise of Instagram has made us all into amateur photographers, but there's a big difference between taking a selfie and taking a bathroom shot. Small rooms are particularly difficult to capture without a wide-angle lens, while large or internal spaces often need a flash gun to illuminate them properly. Photography is one area where you might want to employ a freelancer. Their one-off costs will be far lower than a selling or letting agent's fees, and the pictures are yours to reuse whenever the property is remarketed.

If you want to take your own photos, invest in an SLR camera with a 10-20mm wide-angle lens and a flash gun. A Canon or Nikon system will cost around £1,000, but you'll then be able to photograph every property you do up or let out without paying a penny. With so much competition for tenants and buyers, smartphone or iPad photos aren't good enough any longer. Plus, taking your own pictures means you can wait for the perfect moment – like capturing an east-facing garden while it's in direct sunshine, or taking pictures once the dressing-and-staging process is finished. Speaking of which, there's no need to get carried away with staging (such as setting tables with candles and cutlery), though colourful accessories add



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warmth to a neutrally presented apartment. Turn on lights and replace blown bulbs, hide any clutter out of shot, open curtains and blinds, and remove weeds and wheelie bins from external spaces before taking your pictures.

There's a popular myth that editing photos is complex and expensive, but nothing could be further from the truth. The unfortunately-named GIMP program is free to download for PCs and Macs, offering extensive photo editing functionality. However, few people will need to do more than crop and lighten their photos, before exporting them as high-res JPGs that should display on any website. Minimise post-production work by repeatedly photographing your own home to master basic skills like ensuring vertical lines appear straight, rather than sloping at an angle. In terms of the camera itself, leaving it in A (for automatic) mode saves worrying about attributes like focus depth and aperture adjustment.

Side note: landlords with a decent camera should take pictures of every room in a rental property, before each long-term tenancy starts. High-resolution proof of the property's pre-tenanted condition could be invaluable if a deposit dispute arises in future.

3. Schedules

Once you've got some pretty photos and a polished property description, you need to think about assembly. As with photo editing, it's easy to assume this is a highly scientific process, when it's really just a copy-and-paste job. In fact, once you've produced your first schedule, you might wonder why you ever employed an agent to do it.

Compile a property schedule in Microsoft Word or a Google Doc, by pasting various elements in order. Fill page one with the property's address, price and an external photograph – people will instantly be suspicious if you lead with an internal. Start page two with a picture of the best room and then add in the description, before incorporating everything else in any order you like and saving as an Adobe PDF. Few people will identify its homemade origins providing you avoid tell-tale fonts like Calibri. Stick to a neutral and easy-to-read font such as Arial or Verdana instead.

If you want to go the extra mile, creating a floorplan is a wise move. They instantly explain a property's layout in ways photos and schedule text never could. Starting at the front door, walk round the property, using a pencil to sketch each room's doors and windows and its position relative to adjacent apartments. You should end up with a diagram which roughly represents the internal layout. Next, sign up to a service like Floorplanner.com, which gives newcomers a few free projects. By drawing lines and dropping in pre-programmed features like fireplaces and patio doors onto a grid-pattern template, you can easily assemble a professional-looking floorplan. Remove the grid lines and save the file as a JPG, before dropping it into your schedule. Cover yourself by adding a short sentence like: "floorplan is for information only and may not be to scale".

Regional variations

Finally, it's worth taking a moment to think about how property marketing differs around the UK. A Welsh cottage may be listed as a bwthyn, while a Scottish flat might be described as "three-apartment" if it has one public room and two bedrooms (or two public rooms and one bedroom). These are self-evident truths to locals, but it's easy to overlook their importance if you're buying or selling long-distance. It's worth reading schedules of homes being advertised near your investment properties, for ideas and inspiration about how to appeal to audiences in that part of the country.

PROPERTY TALK WITH WITH ROB B

The impact of Covid-19 on the property market

Like many other markets, the property market has pretty much come to a standstill in the wake of the coronavirus outbreak, not because of sentiment, but because of the logistical challenges it has presented.

The government's attempt to flatten the curve and limit the spread of the virus has meant businesses can't operate as normal: property transactions have stalled, the lettings market is unable to continue operating as usual, and mortgage lenders have been withdrawing products and reassessing their risks.

These are challenging times, but there's resilience from all corners of the sector to keep going in preparation for when things start to return to normal.

What we're seeing

At Property Hub we're witnessing both sides of the coin. On one hand, we're having more conversations than ever with developers who now want to negotiate deals because of the uncertainty – and this is firmly being taken advantage of by investors. Our last launch sold out in less than 30 seconds, so those in a position to continue investing are continuing to do so.

On the other hand we have clients in the buying process who are unnerved by the current climate and in limbo because of mortgage availability and lack of conveyancing activity. Investors who are unable to ride out void periods are also naturally unnerved at the lack of movement in the letting market, which is adding another degree of concern.

What's likely to happen next?

In my opinion there are three likely scenarios:

1. The disruption is short lived and most businesses will only be temporarily challenged. Once the restrictions are lifted the government stimulus keeps us ticking over nicely until we get back to some normality.
2. The restrictions are extended long-term, having a more serious impact on the economy. In the worst case scenario, we have the possibility of hitting a depression, triggering political uncertainty and even public anger.
3. We have a quick recovery, but the overloaded financial stimulus pushes us into an early boom cycle. If Covid-19 disappeared tomorrow, the additional money put into the system could cause assets to rocket, triggering the boom phase referenced within the 18-year property cycle. It's likely the end of the lockdown will have an affect on sentiment. Optimism can cause money to flow as people spend more on holidays or take on more debt than they usually would. So this newfound optimism, in addition to the financial stimulus could result in the boom phase being accelerated earlier than we were expecting.

Personally, I think we'll have a combination of number one and number three. We can draw a lot from the 18-year property cycle but the question is whether Covid-19 kicks us into a crash now, or whether the stimulus will kick us on for another five to seven years and then we enter this phase.

One thing that's easy to predict is that things won't simply snap back to normal. It'll take time for people's confidence to return, and we might not see the effects of this play out for the rest of the year.

We've pretty much hit a recession overnight. But it's no ordinary recession because there aren't usually these levels of restrictions in place and we've never seen the enormous financial stimuli ploughed into the economy.

For those experienced in property and who invest in it for the long-term, the current situation won't trigger any differences in their actions. But for those new to the industry or affected by Covid-19 with job losses or financial hardship, it'll take a bit more time.

We have discussed the impact of Covid-19 on the property market at length on The Property Podcast and in our new weekly Market Update podcast.

For a rational approach to the coronavirus and the future of the world, listen to TPP367.

To find out more about our property investment deals visit: propertyhub.net/invest

Ask Rob & Rob

Our agony uncles Rob B and Rob D are here to help with your property problems. Send your questions to hello@propertyhub.net and we'll answer the best queries in every issue

Robert asks:

From what I can gather a lot of the return from buying a property through a limited company is around expenses and what you can claim back. But how can I calculate my yields and returns if I don't actually know exactly what expenses I am going to be claiming back yet?

The Robs reply:

The main difference between owning a property as a limited company and as an individual, is that as a company you can deduct your mortgage interest in full like you would in any other expense. As an individual you can only claim an allowance equal to the basic rate of tax, so if you pay the higher rate of tax, you won't be able to offset your mortgage interest costs in full.

If you roughly know the value of the property that you're going to buy and what rate you would be paying on the mortgage, you'll be able to work out the difference between being able to claim that as an expense in full as a company, or only partially as an individual.

Of course you'll never know exactly how much tax you'd pay in either scenario because there'll be other costs like repairs, which you can't possibly know in advance. It's impossible to say what saving you might make by owning as a company, but by taking in your own tax situation into account you should be able to make a judgement about whether it's going to work out better for you or not over a number of years.

Want to hear more from our agony uncles? You can listen to a new "Ask Rob & Rob" episode every Tuesday, on The Property Podcast: propertyhub.net/podcast

Johti asks:

Will my mortgage payments go up in the future if I apply for a mortgage payment holiday on my buy-to-let now?

The Robs reply:

It can vary from lender to lender. Some are extending the term of the mortgage – meaning you pay the same amount, but for longer – while others are increasing future mortgage payments.

If you need to take a mortgage holiday, get in touch with your lender and make sure you understand exactly how they will treat the mortgage holiday and how it might affect your credit rating.

To be able to get a mortgage payment holiday, you'll need to be up to date with your payments and your tenant must have been affected by the coronavirus. You cannot qualify for a buy-to-let mortgage payment break if you simply just want a three month break from paying your mortgage.

ADVICE

Top five for letting a property in tough times

Here's our tips for boosting your chances of letting a vacant property while respecting social distancing guidelines

1 PRODUCE YOUR OWN MARKETING MATERIALS

No one knows your property better than you, so who better to put together the listing? The internet is full of generic ads with dingy photos, basic descriptions and incorrect floorplans. Make yours the exception. We've put together a handy guide on how to do this on page 44.

2 HOST VIDEO VIEWINGS

Physical viewings are banned for the time being, so video viewings are essential if you want to give prospective tenants a realistic picture of your property. You don't have to be a whizz at technology to do your own – most of you will already be familiar with using WhatsApp, FaceTime and Zoom to make video calls. Make sure you draw attention to the features and amenities you think make it a good place to live.

3 OFFER PERKS

Who doesn't love a freebie? Whether it's a Netflix subscription or free broadband so they can work from home, think about what you can offer that will sway tenants into choosing your property over another. Focus on the needs of your market and what's most meaningful to them.

4 CUT THE RENT

If you're still struggling to generate any interest, it's worth considering cutting your rent for the short term. A 25% rent cut would leave you in the same position as having an empty property for three months, but is likely to be more beneficial in the long run.

5 GO DIGITAL

Once you've found your tenant(s), make use of digital signing platforms like DocuSign, HelloSign or Adobe Sign to avoid unnecessary face-to-face contact. All of these platforms offer the added benefit of security – with files being encrypted – and help you to keep track of your contracts.