

The **PROPERTY** Hub Magazine

Making sense of property investment

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THE CROSSRAIL EFFECT

The hotspots you can still
cash in on

CASE STUDY

Conservation concerns:
renovating a Kew
Gardens villa

LOCATION

How a 1950s office block
is transforming Norwich's
property market

FINANCE

Regulation speculation –
what's next for landlords

GO GRAND OR GO HOME

Property star Kevin McCloud shares
his tips on inspirational renovations

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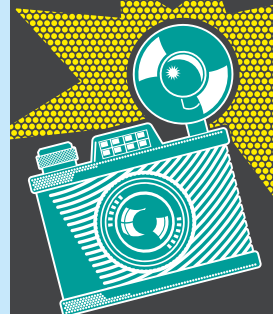
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Rob Bence runs RMP Property, a property investment company that sources buy-to-let investments on behalf of clients. He has ten years' experience working in the property sector.

Rob Dix is proud to call himself a complete and utter property geek.

He has written extensively on investment, and his books include *Property Investment for Beginners* and *Beyond the Bricks*. He also runs a personal blog, *Property Geek*.

Welcome

Well, we did it. We made it out the other side – and relatively unscathed, too. The new tax system is in play, and – while most of us wish it hadn't happened – the market hasn't imploded in the way the media had led us to expect. There's been no mass exodus of landlords, and buy-to-let *still* exists! Now, it's time to get on with making a success of our investments, adapting to the new property investment landscape, and (hopefully) bidding a right and proper goodbye to all the scaremongering, doomsday headlines.

And what better way to do that than with a man who is *almost* as passionate about property as we are? Sustainable housing advocate and *Grand Designs* host Kevin McCloud shares his advice for creating dream homes, discusses his unconventional path into property, and explains why – when it comes to property development – planning is key (a man after our own hearts!).

If you're wondering how the proposed ban on letting fees for tenants will affect you – and whether speculation about agents increasing landlord fees holds any water – we tell you all you need to know on page 42.

Over on page 7, we spend 24 hours with mortgage underwriter Hayley Roberts and find out what it's like to hold the purse strings for landlords.

We also reveal the fascinating backstory of how a major hedge fund and a 1950's office complex have helped Norwich become East Anglia's rising property star. Read all about it on page 10.

And in addition to looking at the impact on house prices of Crossrail, we've got tips for you on how to cash in at this stage of the game. Check them out on page 26.

Happy reading!

Rob Bence & Rob Dix

MARKET FOCUS

The latest news and developments from the property industry.

News

YOUR COUNTRY NEEDS YOU!

The Budget may have been something of a damp squib – save for the epic disaster of the National Insurance hike and subsequent U-turn – but another government announcement in March proved much more interesting for the property industry.

The English Housing Survey – the annual report on the state of the country's housing market – revealed that home ownership in England is now at a 30-year low with 62.9% of people in the country owning their own home, the lowest since 1985, when home ownership had fallen to 62.4%. Related figures show a 20% increase in the Private Rented Sector (PRS): almost one million more families are renting now than a decade ago.

Meanwhile, the latest figures from the Association of Residential Letting Agents (ARLA) reveal a 31% spike in demand for rental accommodation between December 2016 and January 2017, while the number of available properties rose by just 3%. And between January 2016 and January 2017, the number of prospective tenants rose by 10%.

All of this comes alongside warnings from the National Landlords Association (NLA) that the number of landlords looking to leave the PRS has increased from 7% to 16% since 2015, further increasing pressure on the market.

Richard Lambert, chief executive officer at the NLA, said, "The headlines will read that a mass exodus of landlords is a good thing, but the reality is more people now rely on private rented housing than ever before, and absolutely no good can come from fewer homes being available for those who need them."



MANCHESTER RULES

If the latest Hometrack report is any indication, things are far from grim up north. According to the latest UK Cities House Price Index, Manchester is leading the way when it comes to house price growth, with prices rising by 8.8%. Meanwhile, London slipped to number 10 in the growth rankings.

The report also shows that in the highest value, least affordable cities such as London, Bristol, Oxford and Cambridge, housing turnover rates have fallen or remained flat during the last one- and three-year periods.

Regional cities outside southern England appear to be in the "earlier stages of housing recovery", and in Liverpool and Manchester, sales volumes are up by over 40% for the past three years.



The original Kent Street Baths in Birmingham, now the site for a 500-flat build-to-let development project.

BUILD-TO-LET BOOM CONTINUES

Yes, the build-to-let boom continues apace with purpose-built rented accommodation springing up across the UK. It was a key feature in the Housing White Paper published earlier this year, and it shows no sign of slowing down anytime soon.

Bath is the latest city to see such a development, with Legal & General Group announcing plans to create the city's first purpose-built PRS site. The scheme – to include 171 apartments, 126 car parking spaces and 17,000 sq ft of retail space – will be developed in the Bath City Riverside Enterprise Area.

Over in Liverpool, developer Anwyl has been given the green light for a 366-home development in the Pall Mall area. The proposal includes plans for two ground-floor units to provide 7,100 sq ft of commercial space.

And in Birmingham, Camborne Land Investments has announced plans to develop a 500-flat project called Kent Street Baths. The £100m scheme consists of 450,000 sq ft over 15 floors.

In its February housing industry White Paper, the government vowed to consult on a range of measures to “support more build-to-let developments”. Plans include changing the National Planning Policy Framework so “authorities know they should plan proactively for build-to-let where there is a need”, and “to make it easier for build-to-let developers to offer affordable private rental homes instead of other types of affordable housing”.

NEW BUILD NIGHTMARES

It's been a tough few months for the new build sector as it overtook buy-to-let to become the area of the UK housing market grabbing the most column inches – for all of the wrong reasons.

Developer Bovis hit the headlines after it admitted it had set aside £7 million in order to compensate customers and conduct remedial work on its homes that it claimed “fell materially short of the high standard expected”.

The story opened the floodgates for other homeowners who came forward to complain about shoddy workmanship and poor-quality finishes – at a time when the government is continuing to call for more properties to be built. Understandably, this led to property commentators and journalists asking the question, “What's the point in building new homes if they're not fit to live in?”

Meanwhile, emerging stories of homeowners trapped in unsaleable properties as a result of unfair leasehold contracts have heated up debates over the leasehold/freehold issue. Some contracts reportedly included a clause that would see ground rent double every ten years, making the properties unmortgageable – not to mention unattractive – to future buyers.

“What's the point in building new homes if they're not fit to live in?”

A DAY IN THE LIFE

SCOUTING FOR BUSINESS

Hayley Roberts, mortgage underwriter at Accord Mortgages, explains to John Fitzsimons why she relishes the chance to say yes.



9:00

Hayley Roberts, 32, begins her workday by meeting with her team at the Yorkshire Building Society Group's Bradford headquarters to discuss the mortgage cases that have come in overnight from mortgage brokers across the country. Often, it's the less straightforward applications that catch her eye.

"The juiciest, hardest cases are the best ones to work on," she says. "If it's something we've never handled before, it's a chance for me to learn something new."

Hayley joined Yorkshire Building Society in 2014 as a residential case manager, and was offered the opportunity to become a buy-to-let mortgage underwriter for the firm's Accord brand the following year.

Initially apprehensive, Hayley was pleasantly surprised as she settled into her new role: "Underwriters have a lot of responsibility – they are handling everything that could go wrong, so it was very daunting. But it's not how I expected it to be at all – I love having the freedom to be able to make a decision on whether we should take a case." That decision-making authority is one of the most appealing aspects of her job, says Hayley: "It's up to me to know the full story of the case, and even if it doesn't quite match up with our criteria, I can still say yes."

The variety of the role is also a big plus. "No two days are ever the same. I might start one day with a really simple case that's all wrapped up in an hour. But the next one might be trickier, with several areas that don't quite fall within our policy, so I need to speak to the mortgage broker to get more information."

11:00

Unlike some lenders, Accord gives mortgage brokers access to their underwriters, which means part of the day is spent chatting with those intermediaries to get more information and updating them on the progress of their applications.

Technology plays a part here, observes Hayley: "Brokers can get updates on cases through our portal; for example, the broker gets a notification as soon as the valuations are done, so they can log on and download them to share with the borrower. It makes things a lot easier for advisers and their clients – there are some lenders that still post their updates to brokers."

13:00

The conversations with brokers cover everything from the weather to the state of the landlord market. Hayley admits that everyone in the buy-to-let market faces a "challenging year" – with new rules from the Prudential Regulation Authority and the reduction of mortgage interest relief potentially slowing the market down. As a result, some careful prioritisation is in order.

"Investors will have to take a step back and review their portfolios, to ensure that they're working to their advantage," she says. "Some may look to refinance, and others might look to downsize."

After lunch, there's another team catch-up, where all the underwriters talk about what cases they're handling. It gives them the opportunity to discuss any problematic areas of pending applications, and to make the most of their colleagues' experience.

While the national press may try to suggest that buy-to-let is over, there's little sign of that in Hayley's caseload. She notes that there's still plenty of demand for rental properties, and landlords play a key role.

"In the housing white paper, the government acknowledged the importance of the rental market among a mixed tenure sector, so it does still have a part to play," Hayley says.

"It's an unsettling time. However, investors have been resilient in the past with changes to the market, and many have robust strategies in place to protect their investments."

Hayley heads out with some of Accord's business development team for a face-to-face chat with a mortgage broker.

14:00

"It's been great going out and meeting brokers, just having a chat with them about what we can offer them and their clients. It's really important to help them understand that – while we have policies in place about the lending we want to do – there is flexibility there. We'll do whatever we can to make it work so that we don't have to say no."

In a recent example, the applicant was younger than Accord's minimum age of 25, and the merits of the case had to be weighed against the risks of taking on younger applicants. In the end, Hayley decided it was worth the risk: "Overall, it was a really good case. We managed to make an offer on it, despite the age issue."

A DAY IN THE LIFE

16:00

That's the best part of her job, says Hayley: "Having the power to judge a case, and be the decision maker, means we can offer a much better service for brokers and borrowers. We can discuss a case properly and try to find a way to make it work. I take a lot of satisfaction from that."

Hayley ensures she has everything tied up from the day, going through the various querying emails from the lender's business development team.

One regular topic of discussion has been the growing attraction for investors of operating as a limited company. While limited companies may help drive the purchase market, says Hayley, the limited company route isn't for everyone. For investors looking to remortgage their current

17:00

properties, she offers a word of caution: "Because of the additional costs involved in transferring, refinancing to reduce borrowing across their portfolios may be a better option."

The working day finishes, but there's no time for Hayley to put her feet up: she's off to help with her local scout group.

"I run a beaver colony on a Thursday evening, which is a lovely contrast from work. The smile on their faces when you take them camping and say that it's fine for them to run into the mud is amazing!"

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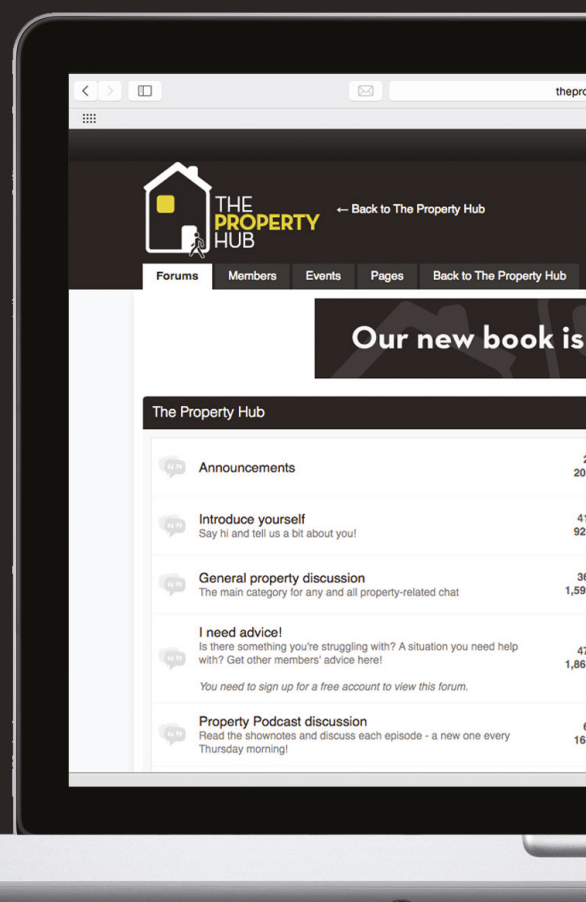


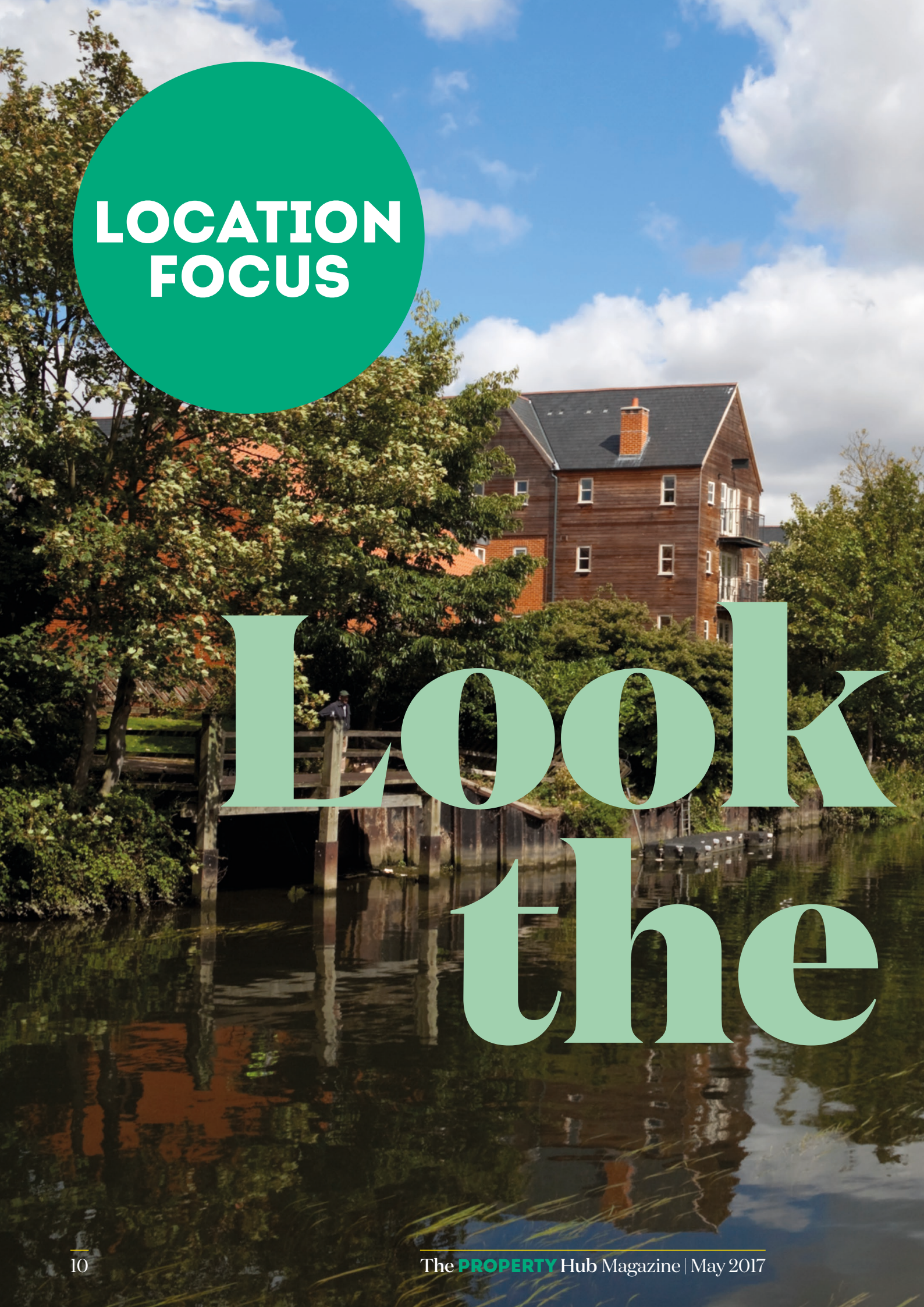
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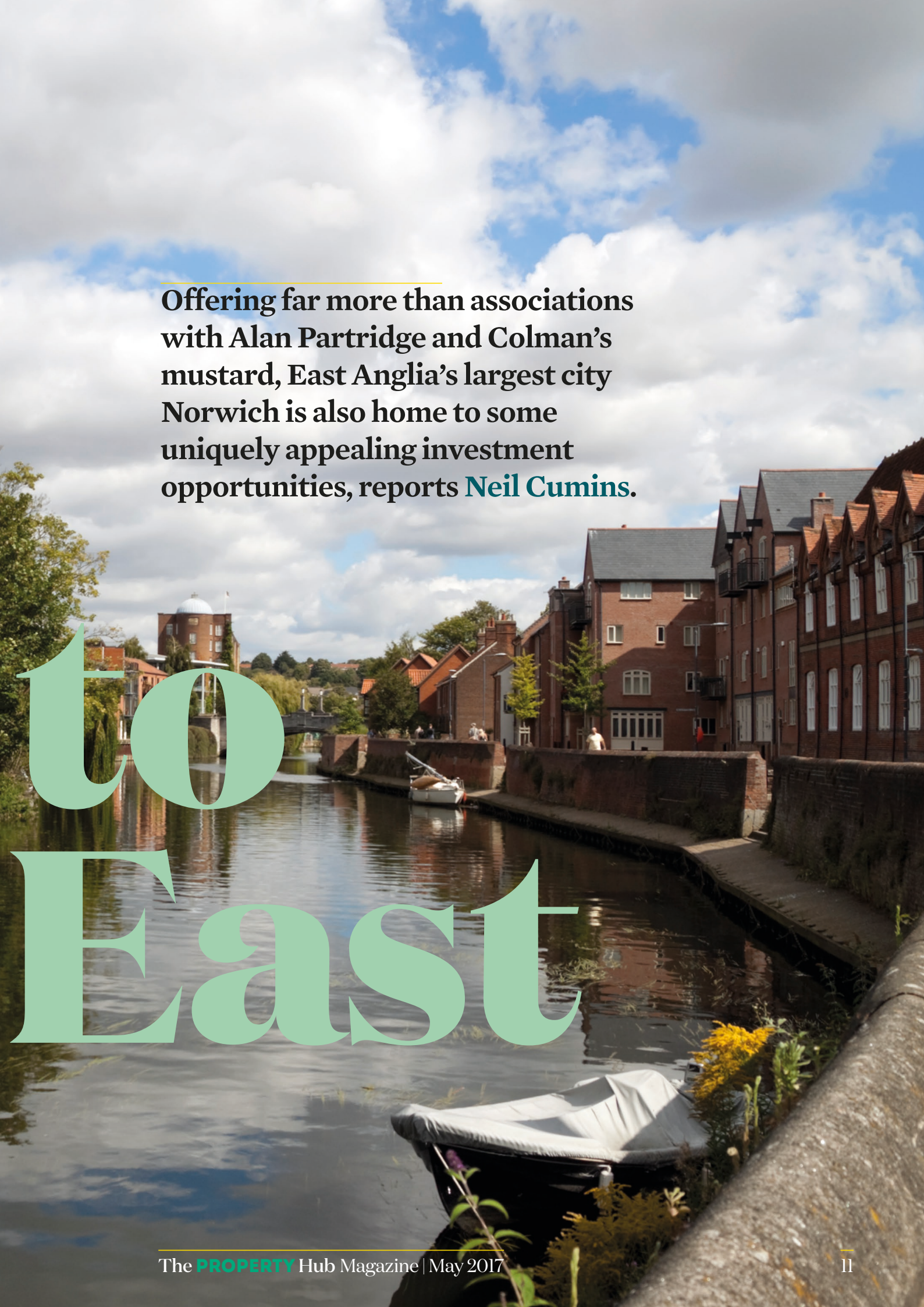
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**LOCATION
FOCUS**

Look the



Offering far more than associations with Alan Partridge and Colman's mustard, East Anglia's largest city Norwich is also home to some uniquely appealing investment opportunities, reports **Neil Cumins**.

to East

It's not often that an abandoned 1950s office block transforms a city's housing market, but the 2015 completion of Westlegate Tower in Norwich was a defining moment for East Anglia's historic capital. Containing a blend of premium residential and commercial accommodation, this high-profile refurbishment rewrote the rules in a city renowned for its historic – but not necessarily high-priced – properties.

However prices may be about to change. Westlegate Tower's million-pound penthouses are emblematic of accelerating changes in Norwich's property market. Less than two hours from London by train – yet a world away in terms of property prices – Land Registry data showed Norwich's average house prices increasing by 9.2% in the first ten months of 2016 alone, with average selling prices of £195,000 still a bargain compared to London.

Studying the market

Until the Industrial Revolution, Norwich was the second largest city in England. Its Norman market and medieval churches are the oldest components of a skyline a thousand years in the making, while the 20th century heralded expansion beyond the hexagonal ring road that unofficially defines inner and outer Norwich. Outer boroughs are largely residential – except for the sprawling west end campus of the University of East Anglia (UEA), which underpins strong demand for student housing in Earlham and around Dereham Road. The latter's side streets are filled with two-storey terraces and semis, where three-bedroom houses typically sell for around £150,000 on the open market.

By contrast, the city's other further education centre has fewer than 1,000 students. However, Norwich University of the Arts (NUA) has ambitious plans for growth, and – unlike UEA – its city centre location offers rich potential for new-build development in an

area currently lacking purpose-built student accommodation. From the old bus station to a former Mecca Bingo hall, developers are creating purpose-built student blocks containing hundreds of flats. Their investment potential is obvious, as property investor and developer Dan Trivendi points out: "Compared to other university cities, and particularly London, Norwich is a far more credible investment." He also acknowledges UEA's influence on property prices: "Prices are increasing faster in the student areas than in other parts of the city. Overall, the student market is seeing property price growth of 10–12% year-on-year."

Having finished 2016 with unusually subdued activity levels, the Norwich property market bounced back impressively at the start of this year. Prices and demand have been buoyant since then, according to Northwood's sales director Danny Snelling: "January was the busiest month we've seen in years. With house prices booming, most investors are now staying clear of the thousands of Victorian terrace houses to the north of the city and leaving those to the first-time buyers and professional couples who don't mind spending a bit of money doing them up. Investors are looking for more modern apartments with less risk of high maintenance bills."

Rental health

Norwich's post-Millennial construction is largely focused on mid-market flats overlooking the River Westle, which typically sell for between £150,000 and £250,000, achieving rental yields of around 5%. According to Ben Potter of Complete Property Estates, these homes are in high demand: "One- and two-bedroom flats are good renters, and demand in Norwich is really strong, which has forced up rents. Stock levels are low, and it's only properties that have been previously let coming back on the market that



Norwich Cathedral towers over this green and very pleasant city.

LOCATION FOCUS: NORWICH

boosts our portfolio.” Ben also cites the west end NR2 postcode – situated within the ring road and incorporating swathes of low-rise apartment buildings and traditional houses – as particularly popular with tenants.

Riverside apartments are among the most sought-after properties in Norwich, agrees Danny: “The area, which underwent major regeneration in the early Noughties, is very close to the city centre with good bars and restaurants and a large retail park, surrounded by high apartments and more affordable housing.” For investors, there are still opportunities to buy off-plan: “With one major new development just completed and another set for completion towards the end of 2017, development is far from over.”

One of a kind

Norwich has a few idiosyncrasies that investors would be wise to consider. With all lines from the city’s main station heading straight out of town, there are no suburban train services to speak of. Employment is dominated by financial services (Aviva, Virgin Money, PwC) and healthcare (University Hospital, Norwich Research Park), while the thriving media and digital sector attracts plenty of talent from London.

The city’s compact size has prevented certain suburbs from becoming synonymous with a particular type of resident, as Danny explains: “Norwich doesn’t have the very segmented areas you find in most major towns and cities in the UK. The major educational hubs are in very close proximity to the major job sources.”

Inevitably, though, some areas are especially appealing to students and transient professionals: “Three Score and Costessey to the west of Norwich are especially strong rental areas, since they’re close to the hospital, the university and a scientific research park. Many investors are turning average three-bed semis into four-room multi-let student properties and quickly making a good return on investment.” According to recent LendInvest data, rental yields across Norwich average 5.7%.

The last words

As Dan Trivendi points out, the market in Norwich has been revolutionised by one landmark development: “I think we were all taught a lesson when Westlegate Tower smashed ceiling prices in Norwich for apartments, and since then, we’ve had lovely Grade II Georgian-style buildings converted into super high-end apartments selling for £400,000. The upper end of the market has started to grow more than the lower end – if you convert or develop to the higher end, you are more likely to achieve a higher price and higher returns.”



Bedford Street, in the “Norwich Lanes” area.

SITES FOR SORE EYES

Norwich has already seen extensive post-Millennial redevelopment of its riverside land, but work is also planned for a number of flagship sites and projects:

1. Beeston Park

Outline planning permission has been granted for a 20-year masterplan to create a new community across 400 acres of land. Plans include 3,500 homes, two new schools, high street amenities, business facilities and a country park.

2. Anglia Square

Demolition of existing buildings and redevelopment of Norwich’s Anglia Square shopping centre could see 1,000 new homes being built in this landmark setting along St Crispins Road.

3. St Anne’s Quarter

A total of 437 properties will be built on a gap site that has been derelict for two decades, centred on a new waterfront plaza and ranging from studio flats to houses. Sales are due to start this summer.

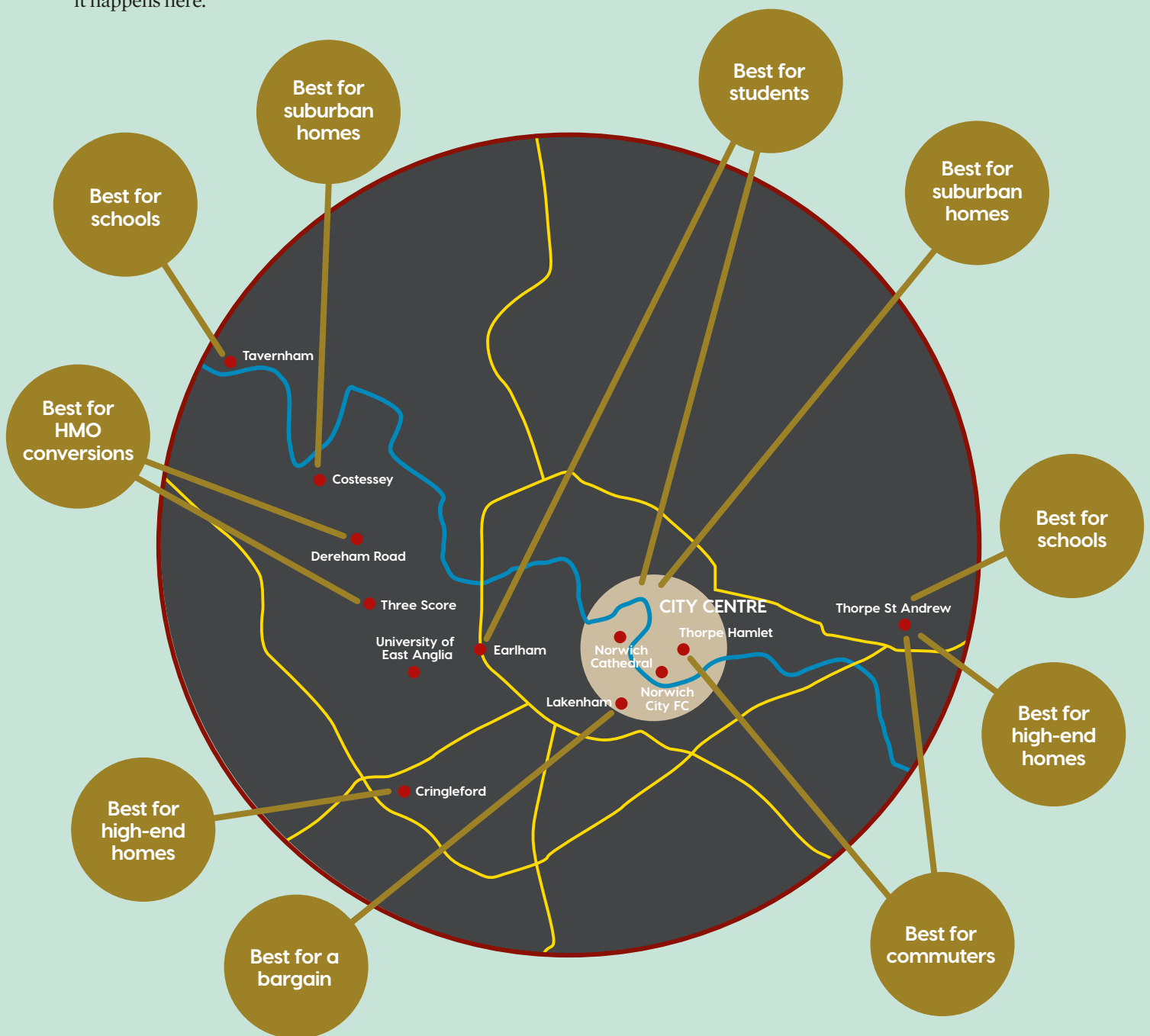
4. St Mary’s Works/St George’s Works

Although these former shoe factories will focus on business space and a hotel, proposed residential elements include starter flats and homes for over-55s alongside family housing. Completion is due by 2020.

Meanwhile, Danny Snelling concludes that Norwich's relative isolation from other major population centres has a distinctive appeal for cautious investors: "With no motorways in Norfolk, the county has always been somewhat cushioned from the rest of the UK, which has helped it retain much of its character. While this does mean we're sometimes a little behind the times, those of us in the property industry get to see what's happening in the marketplace way before it happens here."

Next steps

- Want to see all our previous Location Focus articles? View all digital back issues by logging into your account at thepropertyhub.net



The best places to invest in **NORWICH**

CASE STUDY



David Barker's refurbished Kew house.

From diminutive doorways to moisture maladies, **David Barker's** most recent residential development project came with significant challenges, as Neil Cumins reports.

Forming an orderly Kew

For the majority of property investors, working on a development in a conservation area isn't too intimidating, and – while most of us are up to the challenge of tackling a commercial-to-residential conversion – refurbishing a property riddled with damp and structural issues might begin to be overwhelming.

When David Barker (david.barker@freedom-capital.co.uk), a property investor with over 15 years' experience, found an elegant detached house directly opposite the Kew Gardens UNESCO World Heritage site in south-west London, he had his doubts. Located within the Kew Green conservation area, the property had something of a split personality: "Part of the ground floor was a commercial element, accessible only from one side door, while the rest of the property was residential." Sadly, after years of neglect, the residential element was in disrepair. It had significant damp throughout, and wasn't configured for modern living, as David recalls: "With a small kitchen and some door heights at around 1.75 metres, people were banging their heads!"



David Barker

Money for old scope

Unsure whether the scope for development justified the unusual property's asking price of over £900,000, David took a measured approach: "We initially offered £875,000, but there was a lot of interest, and it went to sealed bids. Our challenge was to conserve and restore it while adding value, and I was open-minded about how that might work." With a sealed offer of £905,000, he was outbid at first. But when the higher bidder



pulled out a fortnight later, the agent told David he could have it for £910,000, and he agreed.

Having acquired this beautiful double-fronted Georgian-style property, David was faced with the challenge of deciding which elements to salvage and which to jettison. One architect proposed demolishing the property to construct two larger semi-detached houses in its place, but – with a number of Grade II listed buildings nearby – David, a longstanding Richmond upon Thames resident, was more keen on restoration than incurring the wrath of the planning department or local community. Since the existing building was unsuitable for apartment subdivision, David decided to turn his new acquisition into a high-end family home.

The planning stages

“There were a number of conditions we had to satisfy according to the planners,” David explains. “Firstly, we needed a change of use from part-commercial back to full residential. I had originally hoped to add a two-storey rear extension and a loft conversion to expand the kitchen, while adding a bedroom and en-suites, but our planning application was rejected.” With several months already lost to planning and architectural review, there seemed little point in appealing, says David. His compromise was to limit exterior renovations to a single-storey rear extension under existing planning



“We had to take the entire ground floor rear elevation out, and support the back of the house with a steel frame – hardly a trivial undertaking in an old house that’s nine metres wide.”

permission, and remodel the interior to strike a balance between conservation and modern living. A third planning application to render the rear elevation and change the windows was approved.

After seven months of planning negotiations and delays, David and his team still had their work cut out for them: “We took the entire property back to brick and removed some of the internal walls, raising the ceiling to increase ground floor ceiling heights and doing a full rewire and total re-plumbing.” They opted to restore skirting boards and ceiling roses in the reception rooms up front to preserve some of the traditional character of the property, while going with an open plan in the rear of the house for a more modern feel.

FOUR-BEDROOM DETACHED VILLA IN KEW

Original asking price: offers over £900,000

Purchase price: £910,000

Development costs: £275,000

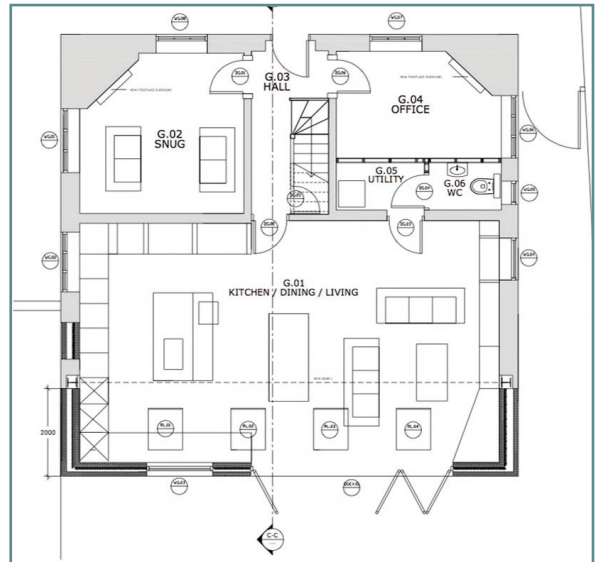
Total project outlay: £1,295,000 (including finance costs and professional fees)

Purchase financed with: initial 25% deposit then BTL mortgage for the balance, with personal funds for development costs

Interest rate of finance product: 3.6% BTL mortgage (75% LTV)

Sale price: £1,560,000

Pre-tax profit: £254,000 (sale price minus total outlay and £10,500 sales fee)



Ground floor plan.

Dampening expectations

To overcome dampness issues caused by an unsympathetic garden design and faulty guttering, the cellar was tanked, and original fireplaces and chimneys were unblocked to improve air flow. Replacing the rear wall proved to be the biggest logistical headache, however: “We had to take the entire ground floor rear elevation out, and support the back of the house with a steel frame” – hardly a trivial undertaking in an old house that’s nine metres wide, says David.

Coordinating schedules for various elements of the project also proved challenging: “Although I’d used a main contractor for the bulk of the works including electrics and plumbing, I’d agreed to source the windows, boiler and radiators myself, along with the bathroom supplies and a new kitchen.” David was careful to allow for sufficient lead times without adding too many delays, but it wasn’t easy: “You can’t get the window supplier on site to measure the new window openings until they’re built, and then you have to work with the window supplier’s lead time.”

Front of the Kew

The fruit of their collective labours is a high-end family home with a comprehensively refurbished interior. Yet, as David explains, completing the sale was no less complicated or time-consuming: “Although we had a queue of buyers and multiple offers within the first week, the first buyer had a change of circumstances three months into the process, and pulled out on the day of exchange. Then the second buyer turned out to be in a complex chain, taking over five months to complete. That was frustrating and painful, as we were still funding the project costs.”

Projects like the Kew development “have a habit of throwing up challenges one after another”, concedes David, but in this case, the finished results exceeded expectations: “We produced a great family home by restoring and conserving a local property that’s been in the area for 160 years. It should be good for another hundred years now, and that’s a nice feeling. In the process, we also created value – a great result all round.”



If you have an interesting property case study (good or bad!), we’d love to feature your story. Email us with some information and photos, and we’ll get right back to you:
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McCloud's

SIGNS LIVE SPONSORED BY ANGLI

Speaking with Felicity Hannah ahead of his appearance at Grand Designs Live this spring, **Kevin McCloud** talks education, inspiration and project creation.



creed

AN GRAND DESIGNS LIVE SPONSOR



With his popular TV programme now in its 15th series, *Grand Designs* writer and presenter Kevin McCloud's passion for building goes all the way back to his childhood. "My father was an engineer with an interest in design and architecture – he was a maker and a doer," says Kevin. "I've always been very attached to the idea of making and doing."

The path to design celebrity wasn't clear from the start, though. At 18, Kevin studied music, followed by Philosophy and Modern Languages at university. After that, he says, "I retrained as a theatre designer and did stage sets, costumes and lighting" – which turns out to have been excellent training for TV presenting.

Those early experiences have clearly had a lasting impact on Kevin, who's been the face of British property design since his show premiered on Channel 4 in 1999. Reflecting on his two decades of experience in property development, he says, "Property and design can be very profound. It's about more than making money" – the sort of statement that makes the title "design guru" not seem out of place.

So it's no surprise the *Grand Designs* presenter has distilled the underlying principles of his work into a set of guidelines that speak to the transformative power of good design.

Make an impact

Architectural design at its best is the ultimate form of creative expression, says Kevin. "It doesn't get better or bigger or more serious than architecture. It's energised by human beings." Inspired by the desire to transform our surroundings, he's driven to create lower-impact, more environmentally sustainable properties that are more connected with the natural world.

To Kevin, grand refurbishment isn't about wringing more money out of property investment; it's a chance to work on genuinely exciting builds – and change the world for the better. In 2007, he launched sustainable property development company HAB Housing – which stands for "Happiness Architecture Beauty" – and he's become a vocal advocate for eco-friendly design and construction.

Roll the bones

Pairing his aspirational advice for developers and designers with a healthy dose of pragmatism, Kevin emphasises the importance of starting with the basics to add real value and get the highest return on your investments.

“What people often do is spend a fortune on the kitchen or thousands on the bathroom, when the next owners will rip it out and do their own thing, anyway. Humans are territorial like that,” he says. The wiser move is to focus on vital elements: “Spend on quality, structure and bones, like insulation. Make sure it’s not leaking heat and air.” Anyone who’s had to use buckets and blankets to make up for shoddy roofing and drafty windows knows exactly what he’s on about.

Plan to build and build to plan

Developers and self-builders who’ve totally underestimated the scope of their project are among the most worrisome issues the Grand Designs host encounters. Their troubles arise from poor planning – or a failure to follow through on the plans they’ve made.

Rushing through the planning stages can be costly, Kevin warns: “You need a lot of time to work out exactly what you’re going to do. People don’t spend enough time planning, and it’s very expensive to start changing your mind halfway through.”

It’s far easier to consider and anticipate issues that may arise in advance than make course corrections once the process has begun, Kevin observes. “Yesterday, I saw a building where the owners hadn’t planned utilities and sewerage. They had bought the plot they’re building on while they lived in New Zealand. It turns out they’ll have to spend £45,000 on closing the road for three weeks and digging a massive trench. The house itself is only costing three times as much as that!”

And sadly, their worries won’t end there. Additional expenses only represent a fraction of poor planning’s impact on the owners. “They’ve had a really tough, dark time, and the emotional costs are absolutely huge. The most significant result is the loss of energy and confidence. It’s not a trivial matter.”

Stop – collaborate and listen

Another common mistake is trying to go it alone, especially when your skills aren’t up to the job. “People try to do it all themselves, but we’re a collaborative species. Architects can design structures better than you can; interior designers can design spaces better than you can.” Among the most marvellous buildings Kevin has had the pleasure of seeing, “Every one has been a fruitful collaboration between a passionate owner and a good builder.”

Whether you’re trying to cut costs by doing more of the work yourself or hiring cut-rate contractors, Kevin has a few words of caution: “You need great people around you, so spend your money on the people. Don’t try to do it yourself and then spend the money on expensive bling tat.” Entrusting work that’s beyond your expertise to reputable, qualified tradesmen may save you more in the long run.

Design in the fourth dimension

Tapping into a property’s potential and adapting it to bring unique features to light is another quality of good design, says Kevin. “Sometimes, it’s adding joy or charm to an old structure – like refurbishing an electricity substation, for example. You still want to keep element of that building while turning it into a lovely home.”

He adds that great refurbishes involve bringing 21st-century comforts to a project in a way that also embraces the history of the site. “When you walk around Rome, for instance, you see the modern and the historic city. It’s about adding layers.” That layering of new elements with old, explains Kevin, “reminds us of the fourth dimension, which is time. Good design picks up on that.”

Everything you touch

Details matter, and spending more on the things with which we come in frequent contact has become Kevin’s mantra – because that’s where poor quality shows up first. “The poorly made tap from the big grey retail shed on the outside of town will stop working within a year,” he predicts. “I’ve bought poorly made taps, and the hot and cold colour rubs off, the chrome degrades.”

Quoting prominent Victorian art critic and social thinker John Ruskin, Kevin offers a reminder that – while paying for higher quality may be expensive upfront – buying cheap will eventually cost a great deal more. “Never skimp on hand rails, taps, the flushing bits of toilets and other pieces of engineering that have to function and perform, and be touched regularly,” he advises.

SELF-BUILD AND CUSTOM HOUSEBUILDING ACT 2015

The Self-build and Custom Housebuilding Act of 2015 holds that local authorities must keep a register of individuals and associations of individuals who want to buy serviced plots of land in order to build homes. They must then grant sufficient permissions to meet that demand.

However, in order to register with your local authority, you must be planning to live in the house once it’s constructed.

“In spite of a government mandate calling for 20% of new housing to be custom- or self-built, self-build rates across the UK are only 8%, compared with 50% Europe-wide. In Austria, 82% of homes are custom-built or self-built.”

Changing tides

Although interest in build-to-rent and build-to-sell property is growing in the UK, self-build opportunities are more limited here than elsewhere in Europe. Kevin points out that – in spite of a government mandate calling for 20% of new housing to be custom- or self-built – self-build rates across the UK are only 8%, compared with 50% Europe-wide. “In Austria, 82% of homes are custom-built or self-built,” he adds.

The good news is that recent legislation aims to streamline the process of making land available for development. And there’s a new culture of self-build, thanks to local authorities like Cherwell, Bicester and Oxford, which have set aside sites for 2,000 self-build homes.

Bringing land available for investment to the attention of investors hasn’t been a priority in the past, but “thanks to Richard Bacon’s private member’s bill, it’s now mandatory for local authorities to keep a register of local people who are interested in self-build”, says Kevin.

Don’t wait for the mountain come to you

The success of build-to-rent investments often hinges on finding the right plot, and a number of websites provide listings for plots – including Plotfinder, PlotSearch and PlotBrowser. Some specialist estate agents also advertise land for sale, and standard estate agents may list local opportunities. Other properties are listed via online platforms such as Zoopla and Rightmove.

But if you don’t find what you’re looking for right away, there’s no sense in resting on your laurels. “Some local authorities aren’t doing their job. They’re not keeping lists up-to-date; it’s just a book locked in a drawer,” says Kevin. “It’s up to us to demand to see it.

BENEFITS OF SELF-BUILDING

- Labour costs on new build homes are zero-rated for VAT, compared to 20% for a renovation.
- Self-builds are typically worth 20%–30% more than the build cost.

Ring up or write to planning departments, and demand to see the list of sites.”

For the most attractive plots – many of which are simply never listed – it may be necessary to commission a plot-finding company or to offer agents and architects a finder’s fee.

Funding your finds

Certain mortgage lenders offer build-to-let lending, and specialist brokers can help builders access finance. As a general rule, these niche mortgages are more difficult to arrange, and larger deposits may be required. Lenders may also be wary of particular postcodes or types of development. Be prepared to offer evidence of strong rental demand in the planned area, and expect to have planning permission in place before securing finance for your build.

Lenders will require both a rental valuation and a sales value, in addition to information on the type of building and project plan. It’s not uncommon for build-to-let finance to be restricted to professional investors developing a minimum of three units.

Grand Designs Live in London 29 April to 7 May

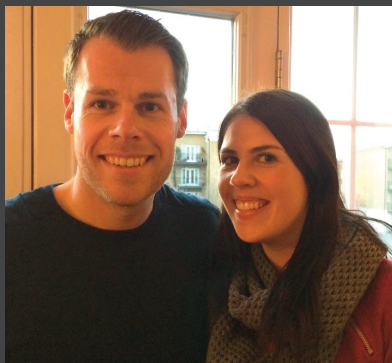
When Grand Designs Live returns to London this year, householders and investors will have more than 500 exhibitions to explore. From kitchens and bathrooms to interior design, landscaping and technology exhibits, visitors will find plenty of ideas to choose from and inspiration for all sorts of home improvement projects.

But – as landlords and investors look for ways to adapt and maintain their portfolios in the wake of recent tax and legislative changes – the most brilliant ideas for aspiring property developers may come from the self-build hall.



CASE STUDY

Tenant's treat on Tennant Street



Angus and Janet Griffin

Neil Cumins recounts the unusual story of a brother-and-sister investment team with a knack for capitalising on failure to build a successful buy-to-let portfolio.

Even though part-time solicitor Angus Griffin moved to London in 2005, he chose somewhere closer to home when it came to property investing. Taking advantage of more affordable and available properties in the North East, Angus has partnered with his sister Janet, a senior manager for the NHS, to develop a buy-to-let portfolio far away from the bright lights of the capital.

Accidental heroes

Angus and Janet entered the property market almost by accident. When a friend of their late father, a keen property investor, declared bankruptcy in 2009, the siblings became liable for costs incurred on a student flat in the Newcastle suburb of Jesmond that the two men had jointly purchased. Dealing with the unexpected crisis might've been the sum total of their property adventures, had he and Janet not been made of sterner

stuff, explains Angus: "Instead of turning our backs on the property world, we licked our wounds, did some training and came back with more enthusiasm and passion than ever before."

Angus and Janet had learnt a great deal from their father's buy-to-let activities, and they started out with what Angus describes as a "buy, refurb, remortgage" strategy on a three-bedroom ex-council house in South Shields. "We bought it at auction for £59,500 and spent £6,100 doing it up. It rented at £525 per month and revalued six months later at £90,000." That meant Angus and Janet only had to leave £800 in the deal on refinance, achieving a cash flow of £227 per month from the property and yielding a remarkable 339% return on investment.

Today, Angus has amassed a 19-property portfolio with his sister. "We primarily invest in tired ex-council houses across Tyne and Wear, which we can

do up and add value, allowing us to recycle the majority of our capital back out. We also invest in HMOs, targeting the professional market.” Their ongoing property search recently turned up a two-bedroom villa in Hebburn near Newcastle, on the appropriately named Tennant Street. Previous occupants had attempted to create a third bedroom by putting up half a stud wall across an existing apartment, but otherwise, the property was in decent condition. Its location near local shops and a Metro station was also favourable.

Two out of three ain't bad

Despite a guide price of just £60,000, the red-brick end-terrace didn't sell at auction. Angus and Janet eventually came to an agreement with the vendor for an off-market purchase of £57,000 – far below the original auction reserve of £66,000. The amateurish sub-division also meant they could add value by losing a bedroom. “Owner-occupiers can be scared off by layout changes, which in reality involve very little work,” says Angus. “In this case, we only had to move a stud wall.” Timing was also in their favour, Angus points out: “The auction was about a month after the Brexit vote, so buyers (especially investors) seemed to have temporarily disappeared for a couple of months. We were able to pick up quite a few good deals in this window.”

With the original double-aspect bedroom reinstated, the rest of the work was relatively minor. The bedrooms were both re-plastered and a couple of windows replaced. Repairing the kitchen ceiling, which had collapsed, was a simple matter of fixing a leak and replacing two rotten joists. “We also installed a new bathroom, recycling some of the original bathroom suite,” adds Angus. At the back of the property, the siblings had guttering reworked, decaying canopy roofs repaired and loose bricks underneath the canopy tied in properly. Cosmetic touches included changing sockets and switches, fitting new carpets and painting.

Expecting the unexpected

One unforeseen issue was the property's unusual construction: “We discovered that the joists in the property only ran in one direction, with no cross beams. It turned out this was the way houses were constructed in this area for a short time,” says Angus. While structurally sound, the main load-bearing joist had begun to sag, so he and Janet brought in a structural engineer who recommended using plating and a prop to support the sagging joist, “which meant pulling the dining room floor up so the joist could be set in concrete, and then pulling the ceiling down to provide the necessary support”, explains Angus. Fortunately, the brother-sister team had room in their budget for such contingencies.



Tennant Street refurbished exterior.

ANGUS AND JANET'S CONVERSION

Original purchase price: £57,000

Development costs: £7,600

Total project outlay (including legal fees and surveys): £68,010

Purchase financed with: savings and money refinanced from a previous project

Estimated market value: £85,000

Rental value: £525 per month

Following refinance, with property mortgaged at 75%

Monthly mortgage at 3% interest rate of £63,750 (75% of £85,000): £159.38

Maintenance and management at 25% of gross rent: £131.25

Monthly cash flow: £234.35

Money left in the property after refinance: £4,250

Return on investment: 66.2%

CASE STUDY



Angus and Janet freely admit to being “rubbish” at DIY, pointing out that “anything we do inevitably gets re-done”. However, their hands-off approach created its own challenges in this instance, when it became evident that their contractor – who’d been with them on previous projects – wasn’t working up to their standards: “We ended up replacing him, which added to our timescale and costs.” Although his replacement was a personal recommendation, Angus and Janet made sure to inspect the tradesman’s previous work before employing him.

Supply and demand

The finished result more than meets the pair’s expectations: “We’re really happy with the house now,” acknowledges Angus. “It took longer than expected with the tradesman issue, but it’s a comfortable and safe home for our new tenant. We’ve gone for a relatively basic spec, which is what this particular area demands.” And it’s their opinion that demand remains strong: “A lot of people seem to think buy-to-let is dead, but we think there are still good returns to be made if you buy carefully and with the right tax advice.”



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

Before-and-after photos of Angus and Jane’s conversion.

Train reaction

Property markets along Crossrail routes are beginning to heat up as vital links in the new rapid transit system prepare to come online.



Crossrail One (soon to be officially known as the Elizabeth line) is Europe's biggest infrastructure development project. Designed to significantly improve transport links between the capital and surrounding counties, the new high-speed railway stretches from Shenfield and Brentwood in Essex through central London all the way to Reading in Berkshire.

That means shorter commutes for those working in London when it opens in 2018, making towns near Crossrail stations even more attractive to home-buyers and investors alike.

One such location is Shenfield. While the area is already popular with commuters, it's currently a 68-minute journey from Paddington, with a change or two along the way. Crossrail eliminates the need for changes and drops the journey to 51 minutes, reducing travel time on that route by a quarter.

Overall, journey times into central London are forecast to fall by an average of 15 minutes, meaning that a whopping 1.5 million people will soon be living within a 45-minute commute of the capital's city centre.

But Crossrail is going to affect much more than the time it takes to get to work...

“It's no secret that good transport links into major cities can give property values a substantial boost. Studies by Nationwide Building Society have found that house prices within 500 metres of a Tube station command a 10.5% price premium compared to those 1,500 metres away.”

Stunning house price growth

It's no secret that good transport links into major cities can give property values a substantial boost. Studies by Nationwide Building Society have found that house prices within 500 metres of a Tube station command a 10.5% price premium compared to those 1,500 metres away.

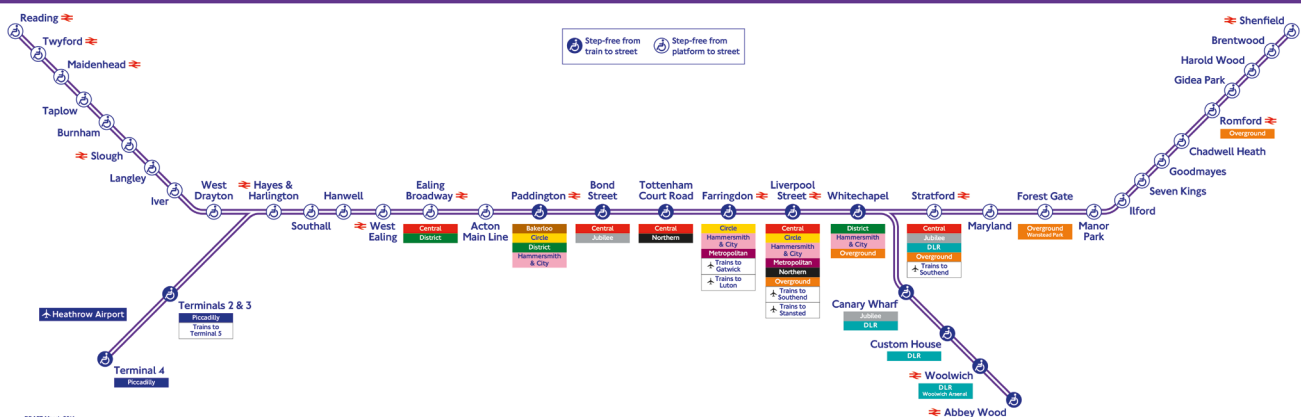
Months before the first Crossrail stations open, we're already seeing evidence of the new high-speed train system's impact on house price growth, as demand spikes in surrounding areas.

For example, according to research by investment firm Property Partner, the average price of a Forest Gate property in east London has jumped from £257,945 to £400,125 over the last five years. That's an increase of more than 55%, while neighbouring Manor Park has seen over 52% growth. Indeed, average house prices have grown by at least 32% at all eastern Crossrail stops.

In places like Essex, where residential property demand is already strong, the opening of the Elizabeth line will only strengthen commuter demand for housing. And as Terry Holmes, director of Beresfords estate agents in Essex, points out, in spite of recent price hikes, housing in areas served by the new railway is “still a very affordable option compared to other home county locations”.

Sharp house price growth isn't confined to the East, however: Property Partner's study shows house prices have risen by an average of 44% across all Crossrail-related areas over the last five years, compared to 31% growth across England as a whole during the same period.

Elizabeth line



MAYOR OF LONDON

ELIZABETH LINE
TRANSPORT FOR LONDON
EVERY JOURNEY MATTERS

THE CROSSRAIL EFFECT: HOW THE ELIZABETH LINE IS AFFECTING HOUSE PRICES

STATIONS	Current average value of property	Average property value 5 years ago	% change of property over 5 years	Average property value 10 years ago	% change of property over 10 years
WESTERN					
Reading	£425,804	£305,236	39.50%	£313,783	35.70%
Twyford	£475,474	£340,842	39.50%	£350,386	35.70%
M Maidenhead	£551,697	£401,293	37.48%	£402,141	37.19%
Taplow	£509,249	£370,417	37.48%	£371,200	37.19%
Burnham	£333,904	£241,208	38.43%	£238,895	39.77%
Slough	£388,522	£276,804	40.36%	£275,079	41.24%
Langley	£381,362	£271,703	40.36%	£270,029	41.23%
Iver	£594,060	£445,790	33.26%	£439,231	35.25%
West Drayton	£360,478	£253,287	42.32%	£245,323	46.94%
Heathrow Airport	£383,151	£281,667	36.03%	£276,205	38.72%
Hayes & Harlington	£355,780	£241,354	47.41%	£237,076	50.07%
Southall	£381,034	£258,066	47.65%	£261,107	45.93%
Hanwell	£551,812	£382,327	44.33%	£346,594	59.21%
West Ealing	£658,239	£466,969	40.96%	£419,742	56.82%
Ealing Broadway	£823,613	£573,427	43.63%	£522,995	57.48%
Acton Mainline	£637,190	£446,305	42.77%	£404,052	57.70%
EASTERN					
Shenfield	£744,386	£563,076	32.20%	£543,705	36.91%
Brentwood	£512,173	£387,423	32.20%	£374,095	36.91%
Harold Wood	£378,910	£254,353	48.97%	£264,935	43.02%
Gidea Park	£460,131	£308,999	48.91%	£321,725	43.02%
Romford	£359,058	£241,027	48.97%	£251,054	43.02%
Chadwell Heath	£333,431	£223,824	48.97%	£233,136	43.02%
Goodmayes	£355,512	£248,020	43.34%	£254,592	39.64%
Seven Kings	£379,173	£264,527	43.34%	£271,536	39.64%
Ilford	£400,332	£279,288	43.34%	£286,689	39.64%

STATIONS	Current average value of property	Average property value 5 years ago	% change of property over 5 years	Average property value 10 years ago	% change of property over 10 years
Manor Park	£376,971	£247,502	52.31%	£244,279	54.32%
Forest Gate	£400,125	£257,945	55.12%	£254,987	56.92%
Maryland	£383,081	£256,860	49.14%	£247,644	54.69%
Stratford	£381,979	£256,465	48.94%	£247,252	54.49%
CENTRAL & SOUTH EASTERN					
Paddington	£1,038,913	£756,123	37.40%	£662,234	56.88%
Bond Street	£1,705,486	£1,202,995	41.77%	£1,029,137	65.72%
Tottenham Court Road	£1,705,486	£1,201,131	41.99%	£1,027,463	65.99%
Farringdon	£804,192	£558,079	44.10%	£510,760	57.45%
Liverpool Street	£777,550	£516,782	50.46%	£499,582	55.64%
Whitechapel	£729,885	£485,102	50.46%	£468,957	55.64%
Canary Wharf	£590,393	£398,054	48.32%	£388,314	52.04%
Custom House	£318,666	£210,967	51.05%	£208,907	52.54%
Woolwich	£336,611	£221,105	52.24%	£215,610	56.12%
Abbey Wood	£289,468	£198,538	45.80%	£179,482	61.28%
AVERAGE - ALL	£530,549	£368,655	43.91%	£358,452	48.01%
ENGLAND AVERAGE	£315,733	£240,907	31.06%	£252,687	24.95%

Source: research by Property Partner

The developing picture

Significant property development in areas surrounding Crossrail stations may offer additional investment opportunities. When Knight Frank looked at the areas around the stations from Ilford to Romford, it identified ten new developments with planning approved or already under construction, which are expected to deliver more than 1,500 units. A further 28 schemes were in pre-planning, with the potential to deliver even more homes.

The associated improvements to infrastructure and amenities should continue to push house prices upwards, as buyers find new reasons to visit the area, says Knight Frank. As a result, those areas with new

developments underway that have yet to see the massive price growth of rival Crossrail locations could be good bets for savvy investors.

Is it too late to capitalise?

It's easy to imagine that it's already too late for investors to capitalise, but with more house price growth in the forecast, there's still plenty of opportunity for investment in communities affected by the new rapid transit system.

According to analysts at CBRE, although the stretch of central London between Paddington and Canary Wharf will benefit the most (with average annual house price growth of 4.8% per annum), we won't



Crossrail station at Canary Wharf.

TOP RENTAL GROWTH AREAS: 2015-2022

- Whitechapel – 35.7%
- Woolwich – 35.1%
- Ealing Broadway – 34.5%
- West Ealing – 33.3%
- Acton – 33.3%
- Southall

see the full impact on house prices for a couple of years after the Elizabeth line opens. CBRE reckons homes on the western section will continue to rise by an average of 3.8% per year, while those in the east will see average annual increases of 2.1%.

CBRE's research suggests that by the time Crossrail is fully operational, it will have added up to £35 billion to the residential property sector around the line's stations.

Rob Weaver, director of investment at Property Partner, observes that there's room for additional growth once the trains are up and running. "People are more likely to want to move once they're able to benefit from the convenience of the trains," says Rob, "rather than having to put up with slower service for a year or two."

What about Crossrail Two?

While the opening of the Elizabeth line in 2018 marks the culmination of Crossrail One, the Crossrail project is far from finished. With a proposed route stretching from Broxbourne in Hertfordshire down to Epsom in Surrey, Crossrail Two is currently under consultation.

The latter phase of Crossrail's development isn't expected to reach completion until 2033, so property investments associated with Crossrail Two will require a long view. But – considering statistics from Country-wide estate agents that show the average length of a property investment to be 17 years – it's not too soon to start looking into opportunities along the proposed route.

Paul Cook, managing director of developer Dukelease Properties, says the key lesson from Crossrail One is that you need to move early in order to get the best return. His firm bought a site in Oxford Street in 2009, "long before the buzz around Crossrail began".

And because Crossrail is designed as a regional network, argues Paul, the second phase may bring even greater investment potential than Crossrail One. He predicts that – by alleviating the growing pressure on existing rail links, increasing reliability and improving quality of service throughout the network – Crossrail Two could "increase the appeal of the satellite towns such as Guildford and maximise their potential to become commercial business hubs, drawing out investment from London".

CROSSRAIL ONE'S HIDDEN GEMS

According to property consultancy JLL, the following areas offer "longer-term, untapped potential" to benefit from Crossrail One:

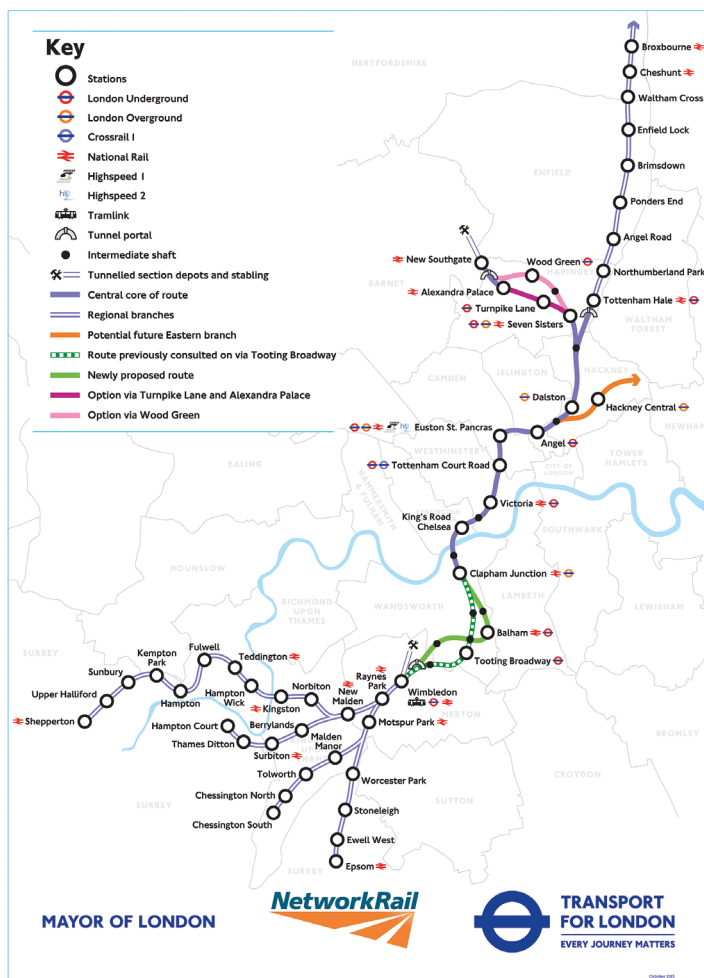
- Ilford
- Forest Gate
- Abbey Wood
- Slough
- Southall

Johnny Morris, research director at Countrywide, offers a bit of cautionary advice, though: “If you’re going to keep a property for 17 years, you need to make sure you can rent it out successfully so that it has sufficient yield to cover your costs.” Choosing investments that can withstand the test of time to produce those anticipated yields is essential. “There’d be no point in buying a home in an area with a very small rental market on the prospect of Crossrail Two,” says Johnny. “That’s just bad maths.”

Proposed developments are already building momentum in anticipation of Crossrail Two’s arrival. Plans for a £3.5 billion redevelopment at Wood Green in North London will see 8,000 new homes built. At another likely Crossrail Two stop in Enfield, the Meridian Water district is slated to bring 10,000 new homes to the area. In total, forecasters predict Crossrail Two to result in the construction of another 200,000 homes across London and the South East.

“Choosing investments that can withstand the test of time to produce those anticipated yields is essential. There’d be no point in buying a home in an area with a very small rental market on the prospect of Crossrail Two.”

Crossrail 2 route (autumn 2015)



FIVE POTENTIAL CROSSRAIL TWO HOTSPOTS, ACCORDING TO PORTICO ESTATE AGENTS

Clapham Junction

Popular with homebuyers and investors alike, Battersea, home of Clapham Junction, is currently undergoing significant regeneration. With expected journey times to Victoria and Waterloo of just five minutes, further regeneration and house price rises are likely.

Wood Green

Portico reckons Wood Green will be “one of the biggest winners of Crossrail Two”, due to its positioning near the centre of Zone 3 and regeneration already underway.

Tottenham Hale

One of the most affordable areas to live and rent in London, Tottenham Hale is a favourite of first-time buyers. With less than a 15-minute journey into the City via the Underground, it’s already received a boost from significant transport investment in the area, even before Crossrail Two is finalised.

New Southgate

With abundant green space and plenty of good schools, the family-friendly suburb of New Southgate and surrounding communities will benefit from having two transit lines into London when Crossrail Two arrives.

Balham

Crossrail Two will cut journey times to central London significantly and put Balham within easy reach of the commons at both Wimbledon and Wandsworth, making the area perfect for families and young professionals.



“January brought the first round of Prudential Regulation Authority (PRA) rules requiring lenders to implement more rigorous stress testing for buy-to-let borrowers.”

Mortgage broker **David Cookson** talks regulations, rental coverage and reacting to change

THE CHANGING FACE OF BUY-TO-LET

Given recent upheavals in the UK property market, seeing the words “changing” and “buy-to-let” in the same sentence may be a little unsettling. But have no fear: we’re not here to reveal some new, industry-shaking developments likely to send investors reeling and reaching for their inhalers. We’re actually taking a look at the impact of regulatory changes that have come into effect so far this year, and the likely outcomes of upcoming plans that have yet to come into play.

January brought the first round of Prudential Regulation Authority (PRA) rules requiring lenders to implement more rigorous stress testing for buy-to-let borrowers. Lenders will now need to ensure that rent must cover at least 125% of the mortgage payment – assuming that the interest rate is at least 5.5%. Many of them are going even further (to minimise risk) and requiring up to 145% rental cover. In other words, landlords must be able to secure 45% more than their mortgage repayments in rent.

Naturally, the impact of higher margin requirements is that landlords may not be able to borrow as much as before, putting locations with smaller margins

out of reach for some. For example, those borrowers seeking 80% LTV will likely be forced to look away from London, where it won’t be possible to secure high enough rents in relation to their repayments.

And the PRA isn’t stopping there. When the next set of rules comes into effect in September, things will get more difficult for landlords with large portfolios.

At present, when an investor seeks buy-to-let financing on a property, the lender makes their decision based on the property’s fair market value and the rental income it will generate. Unless the number of properties mortgaged with the same lender exceeds lending criteria, the rest of the investor’s portfolio is of little interest to the lender.

However, as of 30 September, the new PRA rules will purportedly require anyone with four or more buy-to-let mortgages to submit mortgage details and rental income information for each of their properties every time they want to remortgage a property or add to their portfolio. This hasn’t yet been confirmed, and several lenders have said they’re challenging the proposal.

“If you can no longer afford to invest in certain areas as a result of the new rental coverage requirements, shift your focus to opportunities elsewhere. The North West and North East of England are becoming fast favourites for buy-to-let investors, and there’s no shortage of good deals to be had. Expand your horizons.”

If the additional documentation requirements for investors with large portfolios prove too burdensome, some lenders may choose to steer clear of working with portfolio landlords to avoid the administrative headaches.

Although – as things currently stand – these changes won’t apply to limited companies, it’s worth noting that whispers on the industry grapevine suggest that could change later this year.

George Osborne’s announcement of plans to cut landlord tax relief in his 2015 Summer Budget brought the option of purchasing properties as a limited company into the limelight. The idea was that property ownership as a limited company would allow individual investors to bypass income tax altogether, and instead pay corporation tax. Providing no U-turns are undertaken, corporation tax should fall to 17% in the not too distant future.

Not everyone has decided to go down the limited company route just yet, but – given the ever-growing number of restrictions on individual borrowers – this is bound to change in the future. Indeed, we’ve already seen the number of limited company clients coming to us for mortgage finance increase by 60%.

To successfully navigate the regulatory overhaul going forward, here’s what you can do:

1. Consider the limited company route

It’s not completely flawless: managing company accounts can be a bit cumbersome, there’ll be dividend tax to pay, and limited company buy-to-let could well be affected by additional changes to PRA rules following this year’s Autumn Budget. But as things stand, it’s an option worth considering. With the market already responding to the increase in limited company investment, product rates are competitive and likely to improve over the next year.

2. Choose the right lender

Look to lenders implementing transitional arrangements, like those offered by Ipswich Building Society. The PRA has given lenders the option of implementing arrangements to allow existing borrowers to switch lenders under pre-PRA criteria (in other words, at a rental calculation of 125%). While Ipswich – having only just re-entered the sector – may not have show-stopping rates, these arrangements could offer some reprieve for existing landlords.

3. Location, location, location

If you can no longer afford to invest in certain areas as a result of the new rental coverage requirements, shift your focus to opportunities elsewhere. The North West and North East of England are becoming fast favourites for buy-to-let investors, and there’s no shortage of good deals to be had. Expand your horizons.

4. Seek advice

As market complexity grows, the right advice can help you secure a good deal. Seek professional advice from a whole-of-market broker and a tax specialist.

CONTACT TC FINANCIAL SOLUTIONS

To discuss your property investment needs and find the right mortgage product for you, contact David Cookson and the team at **0161 959 0166**
tcfinancialsolutions.co.uk

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Financing your refurb

Buy-to-let lenders won't look to the future when it comes to property renovations, but bridging lenders are on hand to help, as **Kevin Wright** explains.

Getting finance to buy your latest property is one thing, but then there's the refurb. If you don't have a bank account overflowing with spare cash, finding another £10–20,000 to refit kitchens and bathrooms, put in en suites, redecorate and give the outside a lick of paint can be a challenge.

It's a situation many property investors find themselves in: they've blown their spare cash on the deposit, and now need a budget to do the refurb.

One thing is certain: buy-to-let lenders aren't interested in lending on the possible future value of the property you buy. In fact, they're not even interested in lending on the market value as it stands: they'll only lend against whatever you actually pay. So if you're a great negotiator and have got a brilliant deal, no BTL mortgage lender is going to recognise that. That's where a good bridging lender becomes useful.

Four ways to get more for less

With a creative approach – and perhaps a bit of elbow grease – you can use bridging finance (loans taken out for a short time to help fund your refurb and conserve your cash).

1. **Some bridgers lend against actual value** – not the price you paid. So if you've bought a house for £150,000 but it's worth £200,000, you'll get up to 75% of £200,000. If you've got your calculator out, you'll have worked out that means you won't have to come up with a big deposit – as 75% of £200,000 is £150,000! There are some deductions made to that but it leaves more of your cash free for the refurb.
2. **Choose a bridger who will release funds as the property value increases during the refurb process.** Sometimes, you still have to put some money in towards a deposit and are then short on the refurb costs – but with the right bridging lender, that may not be a problem. This is how it works:



“One thing is certain: buy-to-let lenders aren't interested in lending on the possible future value of the property you buy. In fact, they're not even interested in lending on the market value as it stands: they'll only lend against whatever you actually pay.”



Do as much refurb as you can afford before asking the bridger to resurvey. If they see that you've added value to the property, they'll release more funds – as long as they're still lending no more than 75% loan to value (LTV).

In the example of the house valued at £200,000, you might spend £10,000 to give the outside a coat of paint and refit the kitchen and bathroom. If, upon re-surveying, your improvements had raised the value of the property by £20,000, your bridger could release further funds, providing another £15,000 to fund the next stage of your refurb.

The key thing to remember is that bridgers work in stages and in arrears, so you have to do the work first before they'll release more money, but you can repeat this process more than once with the same property.

3. **Roll with alternative bridging finance.** One recent lending innovation – only available from a couple of lenders at this point – is to fund refurbs in the same way as development finance. This means working on Gross Development Value (GDV). This is still in stages, but more flexible than working with LTV at each stage. The interest is rolled up, rather than paid up front, and you don't have to keep getting surveys done at every stage.

4. **Use equity you have in existing property to fund your refurb.** When you own a property with little or even no mortgage, some of the equity in this property can be used to fund the refurb of your new project without having to jump through the staged payments in arrears process. If you use your usable equity in the property you already own to fund your

refurb, your bridger will take a second charge on that property up to 65% of your property value and release the money for your refurb.

As refurbishing a property increases its value, you can pay off your refurb funding and restore the equity in your first property to its full amount. If you're selling the property when the refurb is complete, you can repay the finance outright, or – if you're planning to retain the property as a buy-to-let and remortgage it – you'll factor the repayment of the second charge in when you get the mortgage on the increased value of the property.

More than the sum of its parts

Depending on your circumstances you can vary which of the above strategies you use, which can make a significant difference in the speed at which you expand your property investments.

And if you still need additional funding for re-furbishments, don't lose heart – or miss that window of opportunity – because you're coming up short on cash. A good broker will work with you to find the right lenders who can help put together financing options for your projects. There's almost always a way to fund value-adding refurbs – especially if you're willing to get a bit creative!

CONTACT POSITIVE PROPERTY FINANCE

Kevin Wright advises investors how to buy property intelligently using non-standard funding models, through his brokerage. He can be contacted on **01206 586586**, or at **inspireme@thinkpositively.co.uk**.

How to be a landlord

Whether you're hands on or simply focused on the figures, there are steps you can take to make sure your property investment dream doesn't end up giving you nightmares, as **Rob Dix** explains.

Having spent years working in property, I've noticed that there are two distinct tribes of property owners.

First, there are the "landlords". They want to make money from their property, of course, but they also enjoy showing their property off at viewings, interacting with tenants and dealing with all the odd jobs that come up.

Then there are the "investors". These are the people who view their property as a money-making machine, are led by the numbers, and don't really want to have anything to do with its day-to-day running. They take pride in offering a good service, but they want someone else to provide that service and don't really give a monkey's about getting a Christmas card from their tenants.

It's not the case that one tribe is right and the other is wrong. But I do think that both often put themselves at risk by not knowing enough about the details of managing a property.

Because those details are important. After all, you're taking one of the most expensive assets you'll ever own and handing it over to a stranger to live in – and in the process, giving them a whole series of rights that are governed by hundreds of different laws.

You might be surprised to learn that forgetting to provide a certain piece of paper can prevent you from removing non-paying tenants, or that you can be imprisoned for not checking a tenant's passport, or



Make sure your property investment doesn't give you nightmares.

that it could be considered harassment if you ring the doorbell without giving 24 hours' notice... but it's true. Strangely, all the people lining up to tell you "how to make a fortune in property" disappear pretty sharpish when it gets to the boring but important things you need to know to avoid some pretty unpleasant fates.

You're not absolved from caring about all of this if you hand everything over to a letting agent, either – because you, as the property owner, remain legally liable for everything that happens. And given the variable quality of letting agents, you could end up paying a fee that goes beyond "reassuringly expensive" and still find that your agent is breaking laws you didn't even know existed.

“You might be surprised to learn that forgetting to provide a certain piece of paper can prevent you from removing non-paying tenants, or that you can be imprisoned for not checking a tenant’s passport, or that it could be considered harassment if you ring the doorbell without giving 24 hours’ notice... but it’s true.”

What you don’t know...

One reason why the general level of knowledge is so low is that, often, you’ll get away with making mistakes – because tenants are poorly educated about their rights and responsibilities too.

For example, take the requirement to protect a tenant’s deposit with an approved scheme. This law has been around since 2007 – but amazingly, in 2015 it was estimated that 15% of landlords *still* aren’t doing it. An even higher proportion won’t be doing it correctly, because there are some very fiddly rules around the exact information you need to give tenants about what you’ve done with their money.

If every landlord had been slapped with a massive fine the first time they’d made a mistake, awareness would be much higher and you’d have close to 100% compliance. But even though the penalties can be severe, most tenants don’t know what’s meant to happen either – so they won’t know that their landlord is doing anything wrong, let alone think to report it to anyone.

The flipside is that tenants tend to be poorly educated about their responsibilities as well as their rights. Say, for example, your tenant calls up and says the bathroom sink isn’t draining properly. You’d be totally justified in asking the tenant to fish around themselves and pour down some drain cleaner first, in case it was them who caused the blockage – but if you didn’t know what a tenant should be expected to do, you could end up unnecessarily incurring a plumber’s call-out charge.

Passing the buck?

Worryingly, letting agents often don’t know a lot of this either. Even in well-established agencies, a tenant can call and speak to a new employee with no qualifications or experience, and end up being given completely the wrong advice.

I once let a property through an agent who told me that the tenant had found bedbugs in one of the beds – and reported that their local contractor said it would take eight treatments to remove the problem, for a total cost of £1,400.

This is insane for two reasons. Firstly, it typically takes no more than two treatments to remove bedbugs – and a more reasonable price would be in the region of £150–£250. And secondly, unless the bedbugs were present at the start of the tenancy or the tenancy agreement specifically said something to the contrary, it’s generally accepted that it’s the tenant’s responsibility to pay for the treatment as they brought them into the property in the first place. At the point they were reported, the tenancy was six months old, so they clearly hadn’t been there from the start.

Had I not known this, I would have been hit with a totally unnecessary £1,400 bill – which shows how expensive just one issue can be when you’re dealing with an inexperienced agent.

Do they make it this boring on purpose?

I don’t blame landlords for this lack of knowledge at all. Even though all the information is freely available, it’s spread across hundreds of different websites and is usually extremely dry and dull – so it’s hard to know where to start. It’s also hard to find the motivation, because – let’s face it – it’s much more fun to plan the next purchase than swot up on the finer points of the Furniture and Furnishings (Fire) (Safety) Regulations (1988).

That’s why I wrote my new book – How To Be A Landlord

It lays out everything a property owner needs to know – in a logical order, livened up with a few jokes, and interspersed with practical real-life tips from over 50 hands-on landlords.

If you’re planning to self-manage, it’s an essential handbook. And even if you have no intention of dealing with tenants directly, a quick read will give you the confidence to check that your agent is looking after your investment as they should be.

It’s not easy to turn this topic into an un-put-downable page-turner – but as you’ll know if you’ve ever had a nightmare tenant or a maintenance disaster, it’s far less painful to invest a bit of effort into learning how to avoid the situation in the first place...

Rob’s new book, How To Be A Landlord, is available on Amazon now on paperback, Kindle and audiobook: propgk.uk/landlordbook.

Licence to let

Up and down the country, local councils are adopting selective licensing schemes to improve rental property conditions. But do they actually work?

Christina Hoghton investigates.

Dilapidated properties and rogue landlords benefit nobody in the private rental sector... and they cast a long shadow over the vast majority of responsible landlords. Selective licensing – a discretionary scheme to raise standards and boost the image of troubled neighbourhoods – requires all privately rented properties in a given area to be licensed in accordance with certain conditions.

You might expect that programmes aiming to improve housing quality in problem areas would be welcomed. Yet in spite of their growing popularity among local authorities, selective licensing schemes have met with widespread criticism.

Countrywide creep

Initially, local councils introduced selective licensing to target small problem pockets where issues such as poor conditions, anti-social behaviour and low housing demand plagued rental markets. But dozens of schemes implemented from Bristol to Middlesbrough include programmes covering wider areas, and additional schemes are in consultation.

Newham was one of the first councils to introduce a borough-wide scheme in 2013, followed by Liverpool's city-wide scheme in 2015. In Wales, the Rent Smart selective licensing scheme is now in operation throughout the country.



Measures of success

Each scheme has its own licensing requirements, but typically, landlords must provide details about the standards of their property and how it's managed. Local authorities may also subject applicants to background checks. With approved licences, landlords receive information and support to improve the standard of their properties, and training is on offer through some programmes.

Selective licensing proponents point to the benefits of improving conditions in troubled areas – such as deterring wrongdoing, bettering quality of life, and strengthening demand. Gavin Dick, local authority policy officer at the National Landlords Association



THE CITY-WIDE SCHEME

Mark Loughnane runs agent Homesure in Liverpool, which manages 400 rental properties around Merseyside – many of which fall under Liverpool city council's selective licensing scheme.

Because their properties were already in compliance, says Mark, "apart from the extra administration, we haven't been affected".

The fees cover the costs of enforcement, which Mark acknowledges is a good thing. "There have already been some well-publicised large fines – so it's working," he adds.

According to Mark, "The main problem with the Liverpool scheme is the focus on the whole city – it's a huge undertaking, and it may have been better to target smaller areas with a greater focus."

(NLA), says: "When carried out properly and fully resourced, selective licensing can be an effective tool for councils in raising housing standards."

For local authorities trying to raise funds and improve standards in trouble spots, the adoption of selective licensing schemes across the country is a testament to their success. Letting agent Mark Loughnane reckons that Liverpool has seen modest victories, with rogue landlords being fined thousands, "which should raise standards by acting as a deterrent".



THE SCHEME UNDER CONSULTATION

Jonathan Challis is a landlord with a medium-sized portfolio in Nottingham, who's been closely following Nottingham City Council's proposal of a city-wide selective licensing scheme.

"Initially," says Jonathan, "I was supportive of the idea, because I thought anything that raised the profile and the bar of landlords would be a good thing."

Having attended consultations, discussed the process with local authorities and read widely on other schemes, however, he's "increasingly cynical and sceptical about the reasons for introducing selective licensing in Nottingham".

"The consultations haven't done the council any favours in terms of its approach and attitude to feedback," Jonathan says. "I went to a session and it was obvious that the council had its own message to get over, rather than wanting a balanced debate."

“Selective licensing proponents point to the benefits of improving conditions in troubled areas – such as deterring wrongdoing, bettering quality of life, and strengthening demand.”

But some schemes are more successful than others, and not all stakeholders are impressed with the results of those already in place – nor supportive of newly proposed schemes.

Raising the bar, ratcheting up prices

A fundamental objection to selective licensing is the likelihood of raising costs for compliant landlords and tenants without effectively penalising those who mismanage properties and exploit tenants. Opponents also contend that the underlying challenge is enforcement, and that better oversight of laws already in place – such as gas and electrical safety legislation – could effectively resolve issues that selective licensing is supposed to address.

Selective licensing schemes can be expensive for landlords. Typically, each property in a defined area is subject to a licensing fee of a few hundred pounds. In Liverpool, for example, it's £400 for the first property and £350 thereafter. Landlords with multiple properties in a selective licensing area could face huge costs, so some law-abiding landlords could be forced out of the market.

In the absence of effective oversight and enforcement, selective licensing “consistently and comprehensively fails to achieve its aims wherever it's adopted”, argues David Cox, chief executive of ARLA Propertymark, because “local authorities spend so much of their resources administering the scheme for compliant landlords, they never get around to tackling the rogues the scheme was brought in to address”. With those who offer substandard housing or poorly managed rental accommodation staying under the radar, says David, councils may be unable to find – or fine – non-compliant landlords.

Lynne Rees, of national letting agent Yellow Lettings, shares David's scepticism. She asks: “Do councils really think that these unscrupulous people are going to invest the time and money in registering for the scheme?”

Ultimately, landlords' increased costs are passed on to tenants in the form of higher rents, as Nottingham landlord Jonathan Challis admits: “Of course, a selective licensing scheme is a business expense, which will mean a hike in rents.”

Shared concerns, warring ideals

Some advocates, such as the NLA's Gavin Dick, call for more cooperative efforts, encouraging councils and landlords to work together within current accreditation systems to raise standards in the private sector.

Others recommend better enforcement of legislation already in place. Lynne suggests developing “a more robust complaints procedure that doesn't take

THE NATIONAL SCHEME

Richard Trow, a professional landlord who self-manages 21 properties in and around Wrexham, started investing in property in 2008 and works full-time on the business.

Every landlord in Wales is required to register with Rent Smart, so “It's not really selective,” says Richard.

“The major difference to other schemes is the fee structure. Landlords need to register each of their properties but only pay one fee, no matter how many they have. There's another fee if you self-manage your properties – in which case you also need to do a one-day course.”

“If you're already a professional landlord who takes pride in what you do, this is just another tax,” observes Richard, “but it could increase standards among some amateur landlords who aren't aware of their obligations.”

“Of course, the rogue landlords aren't going to register,” he concedes, “and there aren't enough resources to chase them up.”

months to drag through the courts, with binding decisions assessed by property law professionals”.

Stronger critics advise more radical action – like David's suggestion that landlord licensing schemes be done away with altogether and replaced “with a centrally administered light-touch landlord register”, under which landlords would be required to receive training or work with a trained agent.

No longer relegated to infrequent use for targeting isolated trouble spots, selective licensing schemes are increasingly common across broad swathes of the private rental market. The growing popularity of discretionary schemes among local authorities – in spite of ongoing debates as to their effectiveness – suggests they're unlikely to fall out of favour anytime soon.

Next steps

- Make sure you have the knowledge you need to stay compliant by reading Rob Dix's new book, *How To Be A Landlord*: propgk.uk/landlordbook



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Bearing the brunt

Felicity Hannah takes a look at what a possible ban on letting fees for tenants means for landlords.

In his first Autumn Statement since the Brexit referendum, Chancellor Philip Hammond promised to ban letting fees for tenants as one of several property market reform initiatives on this year's agenda. The announcement – the latest in a spate of such assaults on the buy-to-let sector – has caused considerable unease among property investors.

Responding to concerns that letting fees have become exorbitant, the chancellor's proposal aims to save 4.3 million households hundreds of pounds a year by shifting responsibility for letting fees to landlords. The move was welcomed by groups like Citizens Advice and Shelter, which claim that letting fees have risen to levels that cause significant financial hardship for tenants.

Picking up the tab

Proponents of the ban claim that charging letting fees to tenants is unfair because letting agents are chosen by landlords, making it impossible for tenants to shop around for the best rates. A recent housing white paper frames it as an effort to promote equity in the private rental sector, to “improve competition in the market and give renters greater clarity and control over what they pay”.

Unsurprisingly, the plan finds less support among letting agents. In the wake of the announcement, Foxtons' share price plunged 13%. David Cox, managing director of the Association of Residential Letting Agents (ARLA), argues that the average £202 per tenant letting fees charged by ARLA-licensed agents is a “fair, reasonable and far from exploitative” expense for carrying out various preliminary checks on tenants.



Chancellor of the Exchequer Philip Hammond

Calling the ban “a crowd-pleaser that won’t help renters in the long-term”, David warns: “The decision is a draconian measure that will have a profoundly negative impact on the rental market, and do little to help cash-poor renters save enough to get on the housing ladder.”

Worrisome trade-offs

David isn’t alone in his scepticism. A number of agents caution that unintended consequences of the ban could lead to chaos in the sector.

Anthony Sargent, managing director of the London letting and estate agent Fish Need Water, explains: “Some costs, such as the admin of an application, are currently shared by landlords and tenants. If that’s no longer going to be split, the cost will inevitably fall on the landlord.” However, says Anthony, “Tenants still need referencing, and somebody’s got to pay for that. If you can’t take a fee from the tenant – or even a holding fee that shows they’re going to proceed – there’s a risk that tenants will simply make offers on lots of properties while they’re looking.”

Other observers point out that attempts to shift costs to landlords could backfire, with landlords simply passing the administrative and financial burdens on to tenants in turn. Rob Mayo, property sector specialist at NFU Mutual, says: “Ultimately, the shift will create a handover of fees and responsibilities for landlords and tenants to manage themselves. In Scotland (where fees were banned in 2012), this has forced landlords to increase rent prices over time to offset the high costs, cancelling out good intentions to alleviate the pressure of fees on the underprivileged.”

The voice of experience

John Blackwood, chief executive of the Scottish Association of Landlords, agrees that it’s naive to suggest that landlords won’t pass higher costs along to tenants: “Any ban on letting fees to tenants will naturally increase rents as agents and landlords try to recover costs,” meaning that “tenants will pay a higher cost over a longer period in place of a one-off up-front charge at the beginning of the tenancy”.

Research conducted by Shelter following the 2012 fee ban in Scotland offers some evidence to support concerns that a ban may actually raise costs for tenants in the long run. Results of the housing charity’s study showed that in the year following implementation of the country’s letting fees ban, rents in Scotland rose more than in comparable parts of the UK.

However, the Shelter study also concluded that other economic factors, such as demand, probably contributed to the rise. Ultimately, only 2% of the increase in rents could be attributed to the ban.

“Some costs, such as the admin of an application, are currently shared by landlords and tenants. If that’s no longer going to be split, the cost will inevitably fall on the landlord.”

One way or another

At this point, no specific regulatory action has been announced. One possible alternative to an outright ban would be a cap on fees. Other options, says Rob, include requiring tenants to purchase credit checks independently, or calling for insurance brokers to provide them for free.

While he acknowledges the competing influence of other economic forces – such as additional regulatory burdens on property owners and shortages of affordable housing – John urges landlords and letting agents not to skimp on checks in the event of a ban: “It’s very important to properly vet those who wish to let your properties,” he advises. “Don’t cut corners just to try to save money, because that will have a very detrimental effect on your business in the long term.”

The future management and governance of the process remains uncertain, and changes to the letting fee structure will almost certainly have to wait for a consultation to take place. According to the government, the consultation should begin early this year, with the issue to be addressed in Parliament as time permits.

Given that Brexit negotiations are expected to take up a lot of the government’s time, primary legislation isn’t likely to be completed this year, so it’s doubtful that any ban will be introduced in England and Wales until 2018.

However, with regulatory changes to the letting fee structure clearly on the government’s radar, the sluggishness of the legislative process provides valuable time for investors to prepare for the impact on their portfolios. That may be the best news to come out of Brexit yet.

INSIDE THE HUB

BEHIND THE SCENES WITH ROB & ROB

Every issue, Rob D and Rob B give an insight into what they get up to as investors, publishers and multiple property business owners.

NEW BOOK ALERT!

Last month, Rob D and his wife didn't split up. This wouldn't normally be news, but it's pretty amazing considering she spent weeks fixing his mistakes while editing his new book, *How To Be A Landlord* – and putting up with his endless agonising about which precise shade of yellow to use for the front cover.

However great the editor (and she really is), no one person could ever catch all of Rob's mistakes – so thankfully, he also drafted in over 30 volunteer proof readers from the Property Hub community. The best mistake someone found? Rob had referred to "31st April". Twice.

"Only appears in a geek year I believe", as the spotter gently pointed out.

(You can now search "How To Be A Landlord" to buy the book on Amazon – just don't tell Rob if you find any errors.)

EXPANDING THE TEAM

The Yellow Lettings team grew again last quarter – welcoming Nicole to boost our property management department and Donna to coordinate our local reps around the country. Both bring masses of agency experience with them, and they made a big impact as soon as they started.

Meanwhile at RMP the team has been bolstered by Julia, who joins as marketing executive and Christa who comes on board as office assistant.

A couple of weeks after they joined, we got the whole team together in London for some training and planning. We had one session going through all the feedback we received from landlords and how we can use it to improve, and another discussing current trends in the property industry – plus plenty of time for drinking and getting to know each other, of course.

LOOKING NORTH

We recently recorded an episode of the podcast about investing in Scotland (thepropertyhub.net/investin-scotland), and Rob D got so excited he just had to go there himself.

Conveniently, we were also planning a reboot of our Edinburgh meetup – so Rob went up to kick it off, and spent the evening with 60 enthusiastic Scottish Hubbers. North of the border we also have popular meetups in Glasgow and Aberdeen: to book for those or any of our other 37 events across the UK and beyond, just book your free place at thepropertyhub.net/meetups.

And Rob D wasn't the only one looking to the north. Indeed, Rob B has long banded on about the northern gem that is Warrington as a great example of what the region has to offer but recently took that passion one step further and opened a base for RMP in the Northern Powerhouse.



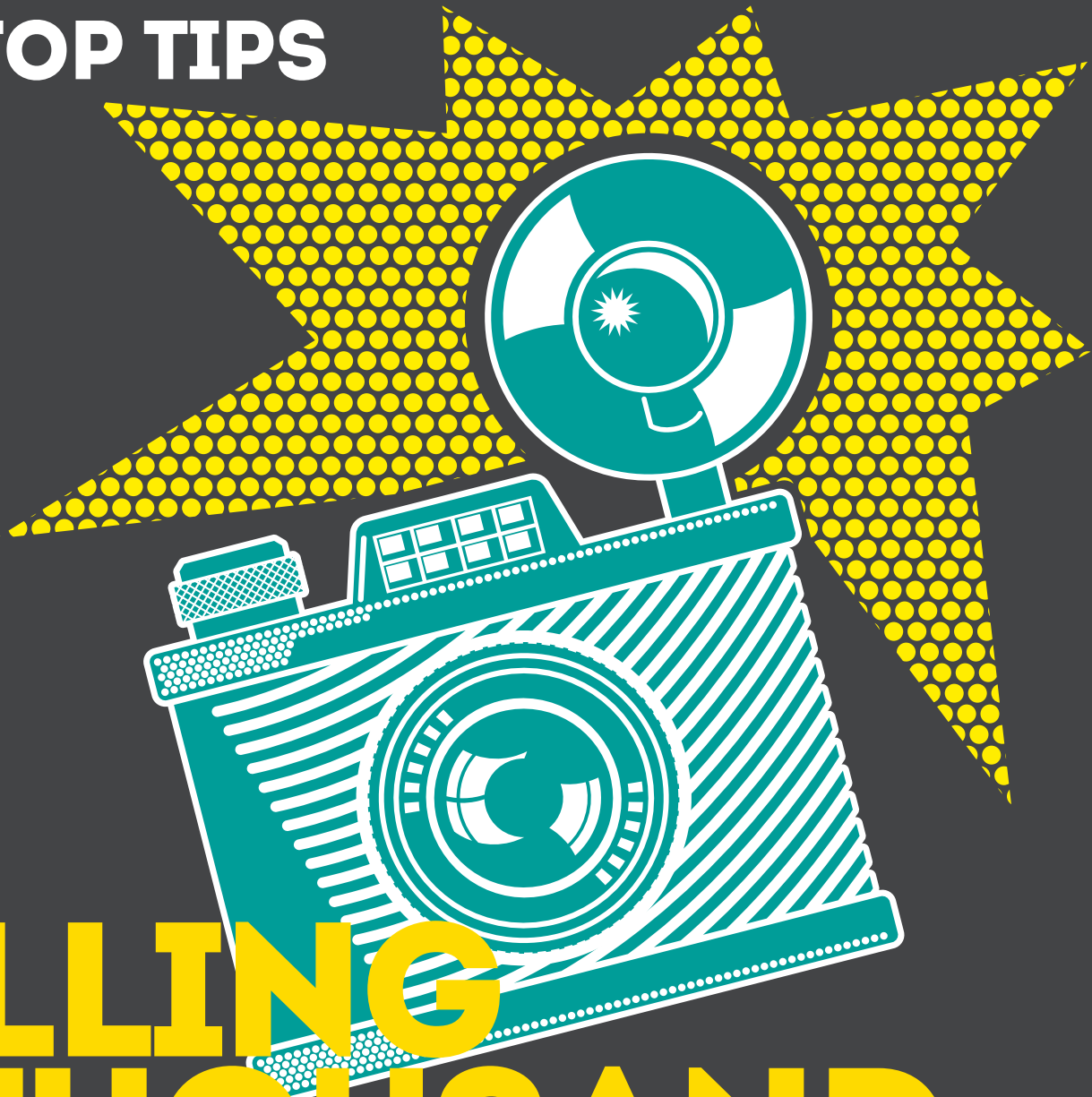
The new RMP Warrington office.

COURSE? WE CAN

The free courses on The Property Hub are always popular – but with so much going on, we've spent a long time struggling to find the time to record new ones.

To put that right, we blocked out a couple of mornings, put our phones on silent, and recorded five new courses which will be released gradually over the coming months. They include how to pick a property strategy, how to let and manage a property yourself, and that old favourite the property cycle – so keep an eye on your emails and we'll let you know whenever a new one goes up.

TOP TIPS



TELLING A THOUSAND WORDS

Effective photography
can transform your sale or
rental prospects, as property
journalist and photographer
Neil Cumins explains.

As is often the way, I fell into property photography entirely by accident. I'd been a property journalist for just six weeks when my parents decided to sell their family home of 12 years. The estate agent's photographs were so comically awful that I borrowed my publisher's SLR camera for the first time and rather hesitantly retook them all. When the house sold within a week, I realised that photographing properties was at least as important as writing about them.

Since 2003, I've established my own property photography agency and hosted professional training sessions on composition and lighting. I've photographed a 19-bedroom mansion in France, and a repossessed crack den in Falkirk. And along the way, I've learnt that property photography can be the best weapon in a landlord or investor's armoury...



Although property photography is often treated as an afterthought, it's the most visual and memorable part of estate agency or property marketing. After all, how do you make a one-bedroom Airbnb flat or unfurnished HMO property stand out in those all-important online listings?

Firstly, remember that the Property Misdescriptions Act prevents cheating – airbrushing out overhead power lines or using fisheye lenses is a no-no. However, like people, properties always have a good side. Try to take photographs towards windows or doors from multiple angles, and get close-ups of unusual details to emphasise character. Dry days are best for externals, but bright sunshine can cause issues: a house with a south-facing garden will have a north-facing frontage that's always in the shade. A bright but cloudy day is perfect for avoiding the shadows that'll trip up even high-end digital camera sensors.

Show and sell

Avoid leaving too much to the house-hunter's imagination: try to photograph every room, barring downstairs toilets and garages. Include every bedroom in online property listings – spaces that are 'out of sight, out of mind' won't do the property any favours. One image of a study or en-suite will be fine, but larger spaces like dine-in kitchens may benefit from shots in opposing directions. Try not to capture your own reflection in mirrors or shiny surfaces like gloss cabinets, and spend a moment looking for unnecessary clutter or signs of neglect before taking each photo. Audiences won't warm to a property if the toilet seats are up, or the kitchen sink is full of dirty pots.

Since photography is an artform that requires skill and practice, many people entrust the job to a professional. Ignore wedding photographers who are trying to fill their weekday schedules, and search for dedicated property photographers with portfolios and price lists. Reputable freelancers will assign you copyright, so you can reuse their photos again and again – vital for rental properties that are regularly being re-advertised. They'll also have light-dispersing flashguns and panoramic wide-angle lenses to make even modestly sized properties look their best in online listings...

THE TEN COMMANDMENTS OF PROPERTY PHOTOGRAPHY

1. If you're going to be taking photos even semi-regularly, buy an SLR camera with a wide-angle lens. Your iPad or pocket digital camera isn't cut out for estate agency.
2. Invest in a flash gun. Good ones cost a few hundred pounds, but they can illuminate anything from a ballroom to a bathroom – ideal for internal or north-facing rooms.
3. Always stand in a corner of the room. Most professional photographers will shoot towards a window from one corner, to maximise the brightness and sense of space...
4. ... Or take a shot from outside. It's fine to take a photo from a doorway or through an open ground-floor window if it generates a wider panorama of the room.
5. Get the verticals straight. Try to take shots from midway between the floor and ceiling, with the camera facing straight ahead so vertical lines look neat and straight.
6. Consider a room's best attributes. If there's a nice fireplace or a feature wall, make sure you capture it. Take close-ups of stained glasswork, name plaques, etc.
7. Dress unfurnished properties. People often lack vision when they see an empty room. Use furniture and accessories to fill key rooms, adding a sense of perspective.
8. Hide clutter. A bedside unit should have an alarm clock and maybe a book on it, not tissue boxes and tea-stained mugs. Always hide cleaning products, food wrappers, etc.
9. Review photos prior to leaving. Always look through your photos to ensure you've got decent pictures of every room before heading off – it's easy to miss something!
10. Invest in editing software. £100 buys a decent software package for minor edits, while some basic programs are free. Don't airbrush out permanent fixtures, though.

RIGHTING THE WRONGS

These are three real-life examples of poorly done estate agency photos, and three examples of the same spaces when photographed properly...



Problems:

- Photo taken from the middle of the room
- Internal flash reflecting in glass
- Camera lopsided when taking the shot



Solutions:

- Take photos from the corners of each room
- Use a wide-angle lens to capture two or three walls
- Ensure that straight lines (doors, window frames, etc.) appear vertical



Problems:

- No flash gun used
- No bedside lamps or ceiling lights turned on
- No attempt to lighten image in post-photography



Solutions:

- Always turn on every available light source, even on a sunny day
- Use an external flashgun, not your camera's pop-up internal one
- Use photo-editing software to balance internal and external elements



Problems:

- No sense of what you're looking at
- Camera pointing down at floor
- Leg of unidentified object poking into shot on left-hand side



Solutions:

- Take externals while crouching, to maximise the sense of space
- Include the building to illustrate where you are in the grounds
- Frame photos to draw the eye down the patio, emphasising its size

DOES THIS MAGAZINE BELONG TO YOU?



If the answer is “no” but you wish it were “yes”... **SUBSCRIBE!**

The Property Hub Magazine contains a quarterly update of everything a property investor needs to know, think and do. Written by some of the UK's top journalists - with contributions and case studies from property experts and investors - it's an easy and entertaining way to keep up to date with every aspect of UK property investment.

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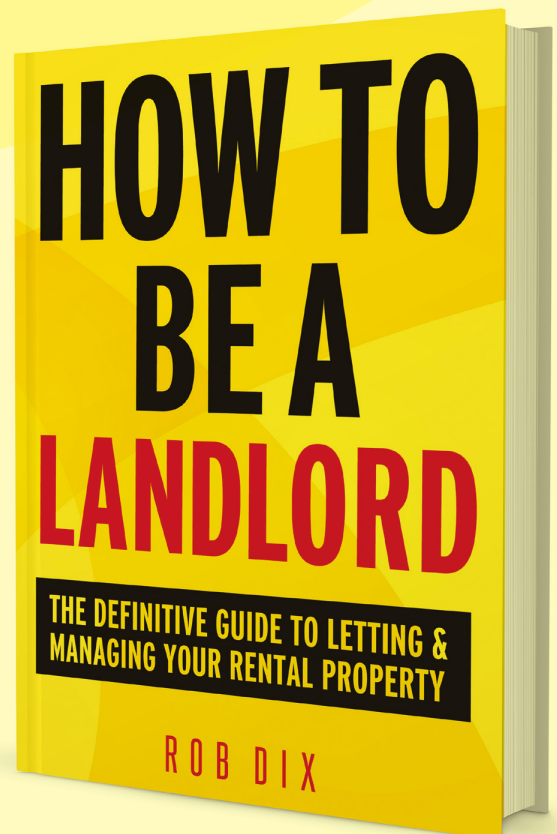
How To Be A Landlord By Property Hub co-founder Rob Dix

"Impressively well researched - a veritable mine of information. This is not just a book to read once and put on the shelf, but also a reference aid to keep returning to."

"This would have been invaluable before I became a landlord. I also think it's excellent for existing landlords to make sure they're doing things properly."

"Both readable and extremely comprehensive. I've been a landlord for six years, and found by page 19 I was already learning lots of things I'd not previously known."

Order your copy now at
propertygeek.net/book



TOP TIPS

Our top five

non-property books you need to read

WE'RE BIG FANS OF SELF-DEVELOPMENT HERE AT THE PROPERTY HUB, AND WE BELIEVE IT'S JUST AS IMPORTANT TO READ BOOKS TO IMPROVE YOUR MINDSET AND MOTIVATION AS IT IS TO READ ABOUT PROPERTY AND INVESTMENT. THESE NON-PROPERTY BOOKS CAN DO JUST THAT.

1

THE DAILY STOIC – RYAN HOLIDAY

We know how it is: life can get hectic, and it's easy to get so preoccupied with day-to-day tasks that you lose sight of your overall goals. With a different stoic passage for every day of the year, Ryan Holiday's *The Daily Stoic* will help you to find your centre and stay focused.

2

DIGITAL GOLD – NATHANIEL POPPER

Money: it's what most of us are chasing in order to buy the freedom and flexibility we crave, but do we understand what it actually is? Charting the rise of Bitcoin, Nathaniel Popper's *Digital Gold* examines digital currencies to make surprising revelations about money itself and raises important questions about the future of cash.

4

START WITH WHY – SIMON SINEK

To be successful in any endeavour, you need a great team – whether it's composed of your employees, colleagues, or even family and friends. And building a great team requires inspiration. *Start With Why* is a guidebook for understanding people's motivations and inspiring others to get behind your cause with a purpose.

5

GETTING THINGS DONE – DAVID ALLEN

If the one thing holding you back from realising your property investment dreams is a lack of productivity, this is the book for you. It can be difficult to manage all the roles and responsibilities you take on every day, and it's easy to get overwhelmed by the constant influx of tasks to be prioritised and addressed from one moment to the next. *Getting Things Done* teaches you how to sift through the endless "to-do" lists in your mind and turn them into direct action points.

3

HOW I FOUND FREEDOM IN AN UNFREE WORLD – HARRY BROWNE

What's stopping you from realising your dreams? Other commitments? Responsibilities? A lack of time? Harry Browne's empowering work on taking control of your own life is as relevant today as it was when it first hit the shelves in 1973. If you've got friends or family who aren't supportive, this is a must-read to learn how to take personal responsibility for what you want to do without being made to feel bad for it.

EVENT LISTINGS

In a town near you (every month)

Property Hub Meetups are the UK's biggest FREE network of property events, with 40 held each month. They're open to everyone – from the greenest newbies to the grizzliest tycoons!

These aren't traditional networking events. There are no sales pitches or "upsells" – just a relaxed and informal get-together of likeminded people, with a more friendly and supportive atmosphere than you'll find at any other event. Meetups are held on the **first Thursday of every month**, and they're completely free to attend. All we ask is that you register in advance.

Visit thepropertyhub.net/meetups for full details and registration information.

We currently hold meetups in the following locations:

ABERDEEN

The Village Hotel, Kingswells,
AB15 8PJ.
Meetup leader: Scott Wilson

GLASGOW

Dram!, G3 6ND.
Meetup leaders: Tony Ng,
Nelson Wan, Luis Guarin

EDINBURGH

The Grosvenor Casino, EH12 8NE.
Meetup leaders: Bill McWilliam and
Caryn Simpson

NEWCASTLE UPON TYNE

The Town Wall, NE1 5HX.
Meetup leader: Al Robinson

CHORLEY

The Lock and Quay, PR6 9AE.
Meetup leader: André Simm

LIVERPOOL

The Pumphouse, L3 4AF.
Meetup leader: Silvio Orlando

MANCHESTER

The Kaz Bar at Tiger Tiger, M4 2BS.
Meetup leader: Mark Morris

LEEDS

The Crowd of Favours, LS2 7EA.
Meetup leader: Andy Norman

SHEFFIELD

Ink & Water, S1 4JB.
Meetup leaders: Rhys Jackson
and Alice Lacey

DONCASTER

Regent Hotel, DN1 2DS.
Meetup leader: Helen Elworthy

DERBY

The Tap, DE1 2ED.
Meetup leader: Ryan Slater

NOTTINGHAM

The Lion at Basford, NG7 7FQ.
Meetup leader: Jonathan Challis

LEICESTER

Heathley Park – Fayre & Square,
LE3 9QE.
Meetup leader: Mark Barnes

STOKE-ON-TRENT

The Exchange, ST1 1HJ.
Meetup leaders: Nick Leatherland
and John Colclough

LEAMINGTON SPA

The Fat Pug, CV32 5BZ.
Meetup leader: Helen Pollock

MILTON KEYNES

Ye Olde Swan, MK6 3BS.
Meetup leader: Jason Smith

CHELTENHAM

The Swan, GL50 1DX.
Meetup leader: Joanna Surowiec

CARDIFF

Holiday Inn Cardiff North, CF15 7LH.
Meetup leader: Luise L

BRISTOL

Channings Hotel and Bar, BS8 3BB.
Meetup leader: Jon Hulatt

SWINDON

Blunsdon Hotel, SN26 7AS.
Meetup leader: Paddy Horsington

READING

Grosvenor Casino, RG2 0SN.
Meetup leader: Adam Vickers

ST ALBANS

The Beech House, AL1 3EG.
Meetup leader: Chris Ryder

COLCHESTER

Stock and Bailey Wine Bar,
CO3 3EY.
Meetup leaders: Diana Bond-Smith,
Andy Johnston, Donna Walker

SOUTH ESSEX

The Paul Pry, Rayleigh, SS6 7AA.
Meetup leaders: Joanne Dron and
Larry Solomons

LONDON KING'S CROSS

The Somers Town Coffee House,
NW1 1HS.
Meetup leader: Gavin Lloyd

EVENT LISTINGS

LONDON WATERLOO

All Bar One, SE1 7PY.

Meetup leaders: Matt Newman

LONDON STRATFORD

King Edward VII, E15 4BQ.

Meetup leaders: Oli Lowrie and Jethro East

RICHMOND UPON THAMES

The Cricketers, TW9 1LX.

Meetup leader: Roxane Brazeau

EPSOM

The Albion, KT19 8BT.

Meetup leaders: Justin Richards and Andy Garnett

FARNHAM

The Botanist, GU9 7ND.

Meetup leaders: Andre and Elise Brink

MAIDSTONE

The Muggleton Inn, ME14 1HJ.

Meetup leaders: Zoltan Kohary and Kristina Koharyova

BRIGHTON & HOVE

The Poet's Corner, BN3 5BF.

Meetup leader: Phil Leppard

SOUTHAMPTON

Grand Cafe, Southampton, SO14 3AS.

Meetup leader: Sarah Smith

BOURNEMOUTH

Ludo Lounge, BH6 3RS.

Meetup leader: Nic Scudamore

EXETER

The Prospect Inn, EX2 4AN.

Meetup leader: Tony van Bergen

COPENHAGEN

Barshu restaurant, Amagerbrogade 4, København S.

Meetup leader: Lars Eskebæk

STOCKHOLM

Melt Bar, Malmkillnadsgaten 45, 111 38.

Meetup leader: Tim Franzén

DUBAI

The Scene, Dubai Marina Mall.

Meetup leader: Chris Battle

HONG KONG

Classified, Exchange Square.

Meetup leader: Emma Bryan



NO GROUP CURRENTLY IN YOUR AREA?

We're always on the lookout for people to establish meetups in different parts of the UK.

Stepping up and leading your local meetup is a fantastic opportunity to build your reputation in your area. As the leader, you'll get to know absolutely everyone who attends your local event – and you'll have a great excuse to reach out to other investors and property professionals locally to invite them along. We'd love to hear from you if you're interested: just email hello@thepropertyhub.net.

Yellow.

Lettings

The Property Hub has a podcast, an online community and now this magazine.

But did you know there's a letting agency too?

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