Making sense of property investment
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Regeneration Game

What you need to know about investing in regeneration schemes

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Inside

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Welcome

Rob Bence (left) and Rob Dix (right)

The UK is buzzing with regeneration projects, promising to breathe new life into urban areas in need of TLC. In this issue, we're shining a spotlight on some of these schemes and the opportunities they present for investors.

But that's not all — we've also got features on harnessing the power of branding to enhance your portfolio, navigating the intricacies of inheritance tax, and leveraging the ripple effect to maximise the impact of your investments. Plus, our regular columns delve into the art of negotiation and – our personal favourite – the 18-year property cycle.

And what would this magazine be without some real-life stories to inspire? Follow our investment manager, Rob Wiggans, on his week-long jaunt to Cannes to meet with developers at MIPIM. Learn how Lauren and Brian Metcalfe are reshaping Liverpool's property scene, one renovation at a time. Uncover Dan Fatica's three-pronged strategy for maximising opportunities in the diverse UK property market. And be inspired by Kay Gavin's journey into providing supported living accommodating for vulnerable tenants.

Happy reading!

Rob & Rob

Rob Bence is CEO and co-founder of Property Hub and Portfolio and co-host of the award-winning Property Podcast. He's been investing in property for almost two decades.

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

Inside the hub

A roundup of what's going on across our hubber channels

ON SCREEN

Back in 2019, Rob and Rob went all in on a huge opportunity, which seemed like the deal of a lifetime, but ended up losing them £1m. Watch the video to find out what happened and learn some valuable lessons, so you can avoid making the same costly mistake.
youtube.com/propertyhubuk

ONLINE

When tenants start falling behind on payments, it can quickly turn into a landlord's worst nightmare. Fear not! There are ways to protect your rental income and keep your cash flow steady. Head over to our website to find out how you can secure your rental income.
propertyhub.net/articles

ON AIR

We've got an exciting lineup planned for The Property Podcast in May and June. Tune in for in-depth reviews of listener deals, insightful discussions on why you should never pay full price for a property, and comprehensive coverage of all the latest market developments.
propertyhub.net/podcast

IN PRINT

Chris in London wrote to us to ask: "Should I buy a flat with a lease of less than 80 years for cheap and apply for a lease extension?" Read our answer in our *Sunday Times* column, where we answer two reader questions each week, or submit your own question via the link below.
propertyhub.net/sundaytimes

HUB EXTRA

Perplexity.ai

This innovative AI tool offers two standout features that make it a must-use when conducting research. Firstly, it provides live access to the web, so its knowledge is always current and accurate. Secondly, every piece of information it delivers comes with a source, making fact-checking a breeze. "I've found it incredibly useful for staying updated on the news," says Rob D. "While you could visit individual news websites, Perplexity.ai collates information from multiple sources, offering a more comprehensive view. Plus, its chat interface makes it feel like you're having a conversation with the news, allowing you to ask questions and delve deeper into topics that interest you."

Got a Hub Extra-worthy resource, tip or tool to recommend? Share your suggestions with **magazine@propertyhub.net** and you could get a mention in our next issue.

Market focus

The latest news and developments from across the property market

COSTLY PROCEEDINGS

Court costs for landlords are set to increase by 10% in May, impacting a total of 202 fees.

Landlords will feel the pinch across various areas, with fees for a warrant of possession leaping from £130 to £143, most orders to enforce a money judgment escalating from £119 to £131, and the cost of making a possession claim in the county court jumping from £355 to £391.

The National Residential Landlords Association (NRLA) said the increase is "profoundly disappointing" given the widespread dissatisfaction with court services across many regions.

"Landlords and tenants in the private rented sector are reliant on a consistent, fair, and timely service from HM Courts & Tribunals, which is often found wanting. Increasing the cost of accessing justice without a corresponding improvement in the service provided seems unjustified," said NRLA policy and campaign director Chris Norris.

The government has justified the increase, arguing it is less substantial than the 17.8% hike implemented between 2021 and 2023. It claims the extra revenue generated will bolster court resources.

Historically, updates to court fees have been less frequent, occurring three years ago and five years prior. Now, the government is contemplating a shift to a more regular system, suggesting smaller increases every two years.

STEEP STREET

Rightmove's latest analysis has given us a peek into the upper echelons of the property market, by unveiling the priciest streets to buy or rent a home in the UK.

Topping the charts is Buckingham Gate in Westminster, where homes come with a jaw-dropping price tag of £9,633,333 on average.

Meanwhile, Old Avenue in Weybridge, Surrey, takes the crown for the most expensive street outside London, with an average asking price of £2,633,333.

On the rental front the most expensive street is Albion Street in Bayswater, West London, where properties rent for an average of £20,857 per month.

Beyond the capital, London Road in Ascot, Berkshire, commands an average of £6,831 per month, while properties in Manor Road in Chigwell, Essex rent for around £4,311.

High rents aren't exclusive to streets in the southern regions. Deansgate in Manchester follows closely behind with properties costing around £3,766 per month on average.

Rightmove's property expert Tim Bannister said: "London's status as the hub of luxury property in the UK remains unchallenged, with Buckingham Gate in Westminster commanding the highest average asking price. Although the possibility of buying one of these homes is limited to a very lucky few, there's clearly a fascination with these prestigious homes as we find they're often among our most viewed properties on Rightmove."

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IN BRIEF

£391
The cost of making a possession claim from May
(Source: NRLA)

49%
More lots so far this year for national auctioneer Network Auctions
(Source: Network Auctions)

£9,633,333
The average price tag of a property on Buckingham Gate, Westminster
(Source: Rightmove)

37%
Of landlords upgrading their properties to attain an EPC rating of C
(Source: Paragon Bank)

THAT'S YOUR LOT

Now could be a good time to consider buying at auction, if Network Auctions' figures are anything to go by.

The national auctioneer has reported a significant increase in sales activity so far this year.

It has listed 49% more lots since the start of 2024, resulting in a 45% increase in the amount raised during its February and March 2024 auctions compared to the same period in 2023.

At its latest auction, it achieved £5.4m worth of sales.

Toby Limbrick, Network Auctions' director, said the regions experiencing the most growth are those with a lower value of freehold housing stock, specifically the North East, West Midlands, Wales, and Greater Manchester.

"Freehold properties with reserve prices below £100,000 are a sweet spot for investors and these properties attract multiple bidders. Resulting prices can be higher than market value when competition breaks out.

"Interest in buying at auction grew off the back of the pandemic, when most auctioneers converted their room sales to an online platform. We register two to three times more bidders now than our biggest ever room auctions," he added.

SELF-CERTIFYING

Some landlords are still committed to making their properties more energy efficient, despite the government's decision to scrap plans for minimum energy efficiency standards (MEES).

Paragon Bank surveyed 400 portfolio landlords, 37% said they are actively upgrading their properties to attain an Energy Performance Certificate (EPC) rating of C or higher.

The survey also found almost one in three landlords (32%) already possess properties that meet the previously proposed EPC C standard.

Nevertheless, 16% said they are awaiting renewed government initiatives on energy efficiency before initiating improvements, while 10% said the revoked regulations wouldn't influence their strategy.

The government cancelled plans to mandate all rented properties to achieve a minimum EPC rating of C by 2028 last year.

Paragon's managing director of mortgages, Richard Rowntree, said: "It's encouraging to see portfolio landlords continuing to enhance their properties, so they meet EPC C or higher, despite the proposed regulations being shelved.

"These landlords will join almost a third more who have carried out sustainability focused upgrades or purchased property already benefitting from energy saving technology, highlighting the commitment amongst portfolio landlords to improve the standard of privately rented homes for tenants."

Fraud squad

Fraudulent tenant applications are on the rise across the rental sector. Neil Cumins explores the risks of not conducting due diligence, and explains how to identify bogus applications

Embellishment and selective reporting have been part of our daily conversation ever since medieval knights exaggerated the size of the dragon they'd just slayed. Today, we think nothing of using old photos on dating sites or 'rounding up' monetary values on our LinkedIn profiles. Yet this tendency to overstate (or airbrush away inconvenient truths) is having a hugely damaging effect on the rental sector, amid soaring levels of fraudulent tenant applications.

The digital age has transformed the rental application process, making it both more convenient and susceptible to fraud. With online platforms facilitating property searches and applications, tenants can submit documentation and provide personal information without ever having to meet face-to-face. While this streamlines the process, it also opens the door for fraudulent activities.

Tenants may lie for a variety of reasons – desperation, trying to get a competitive edge over other tenants, criminal intent or covering up a poor credit history. Yet regardless of motive or intent, fake tenancy applications are becoming commonplace. HomeLet recently reported a fourfold rise in two years, while Homeppl concluded almost 10% of the applications they received were now fraudulent, with 2023 seeing a particularly noticeable spike in fraudulent applications from overseas passport holders.

Economic strains are exacerbating the situation. As financial pressures mount, the desperation to find accommodation, coupled with limited options and higher rents incentivises dishonest behaviour.

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The risks

Choosing good tenant is arguably the most important part of any landlord's workload, since getting it wrong could prove disastrous. If someone is willing to lie on an application form, they're unlikely to be good tenants. Almost 90% of bogus HomeLet applications involved doctored bank statements – suggesting people either couldn't afford to pay the rent or didn't intend to.

Consequences for landlords can include properties being vandalised or stripped bare, unpaid rent and eviction proceedings which are protracted and costly in equal measure. No landlord wants to be called as a witness in criminal prosecutions, or experience threats against themselves or occupants of neighbouring properties following antisocial behaviour.

Red flags

Remarkably, it's often obvious that a tenant's application is fraudulent. Some people are terrible liars, inept at using Adobe Photoshop or simply unable to maintain a coherent story. Be particularly suspicious if anyone contradicts themselves at any stage.

Common red flags include the same false sense of urgency online scammers use to pressure victims into making hasty mistakes. Ignore anyone who tries to bypass the process or skip the referencing stage by claiming to be desperate or telling a convoluted sob story.

Be wary of applicants who refuse to talk on the phone, try to avoid meeting in person or don't provide photo ID. While it's unreasonable and unlawful to discriminate against immigrants or people for whom English is a second language, their stories still need to check out and valid paperwork must be submitted. Overseas applications demand particular attention regarding the authenticity of any supplied documents.

High-tech solutions

Just as email phishing campaigns range from the crude to the sophisticated, so do the fake documents which are readily available online. It's often worth paying a professional tenant screening service to investigate the authenticity of photo IDs, bank statements and other official-looking documentation. Run a credit check and be suspicious if you can't find an applicant on the system, especially if they claim to have rented before. Referencing companies can check up on linked addresses; choose a CIFAS member if possible.

Home sleuthing is also advisable. Google Street View all previously listed addresses (not just the most recent one) to ensure the properties (a) exist and (b) seem plausible. If someone gives a past address of a detached villa while applying for a one-bed flat, they might be divorcing or downsizing – or they could have simply pulled an address out of thin air. Run a reverse image search of supplied ID photos, to check they haven't been stolen from someone else's social media accounts.

Low-tech solutions

It's often obvious to your own eyes that a bank statement has been doctored or an email address isn't genuine, so study paperwork closely for inconsistencies or evidence of tampering. Do past addresses match? Are timelines plausible? Contact every supplied reference (by phone if possible) and ask them to clarify their involvement with the applicants – work references may be especially informative. It could take longer to track down overseas references, so allow extra time for this.

Never let a property without either video calling the tenants or meeting them in person. Do they turn up on time, address you respectfully, bring requested documents and look you in the eye while discussing their history? You can learn a lot from what people don't say.

Know your legal rights

Above all, don't be rushed or tricked into waiving your legal rights. Bogus tenants will use underhand tactics to pressure you, from tales of impending homelessness to threats of a discrimination claim. Avoid the latter by always using the same pre-drafted application form, interview checklist and photo ID requests. Record progress at each stage of each application – no malicious complaint will be upheld if you consistently use the same tenant vetting processes and background checks.

It may be worth downloading a high-quality letting agreement, or getting a solicitor with rental experience to draft one for you. Be wary of enquiries through social media for rental homes, where criminals have no receptionists to bypass or administrative checks to avoid. Above all, don't take anything at face value, and never circumvent your normal procedures. Rental properties are too valuable to be gambled on a stranger's integrity.

Their first project was a three-bedroom ex-council house in South Shields

"Don't let the knockbacks put you off"

Angus and Janet Griffin have built a thriving property empire despite inheriting a lot of trouble. Neil Cumins finds out how the siblings triumphed over adversity

There's a saying that adversity is preparation for greatness. In the case of siblings Angus and Janet Griffin, their property careers started in such adverse circumstances some budding investors would have given up on and returned to their day jobs. Yet a troublesome inheritance went onto inspire a property empire that's subsequently expanded across much of England.

A troubled inheritance

Angus and Janet found themselves facing a complicated legal situation after their father and a friend cross-indemnified loans on a jointly purchased development project. Following the deaths of both men, it transpired that the debt had been sold by a bank, but the asset (a student flat in the popular Newcastle suburb of Jesmond) wasn't transferred with it. That meant both parties (and their beneficiaries) were liable for the other's debt, plunging Angus and Janet into a three-year legal nightmare which eventually saw them receive barely a tenth of their share of the property's equity.

The whole process was confusing and frustrating, leaving the siblings feeling out of their depth. "We couldn't work out how we'd ended up in such a place," Angus admits.

"We couldn't even work out what had actually happened, or why the bank had sold the debt to a third party without the asset. It turned out they made a mistake with the transaction. It was very much getting hands on and learning by doing, while trying to do so alongside our day jobs. We didn't really have anyone to turn to, as most people had never been in this situation before. Even some of the lawyers we spoke to didn't know what to do."

Remarkably, he feels they were lucky that the process took several years: "Although it was very stressful, and when something happened it needed dealing with quickly, the bankruptcy proceedings against our dad's friend took so long that it meant there were large periods when nothing happened. That provided some respite from the stress."

An unexpected journey

Rather than throw in the towel, Angus and Janet decided to use this experience as a starting point for their own property journey. Their first project was a three-bedroom ex-council house in South Shields. "We've always taken the view that slow and steady wins the race," recalls Angus, "but the majority of the hard work was done before the South Shields deal.

"We probably viewed about 80 properties before we bought it. Initially we were looking at the wrong types of properties, or in the wrong areas, but

INVESTOR FACT FILE

Name: Angus and Janet Griffin

Age: Angus 42, Janet 36

Occupation: Full-time property investors

Lives: Janet – Sunderland, Tyne and Wear, Angus – Bookham, Surrey

Invests in: North East, Leeds, Greater Manchester, Hertfordshire and London

Portfolio size: Over 100 units

Goal: To keep on doing what they love

The pair now have a portfolio of over 100 properties

we learned with every viewing. We also built some strong relationships with contacts we still have today."

From here, the deals flowed quickly: "We probably agreed three more deals in the next four months. Janet and I had amassed some funds from working and inheritance, but the rest of the initial finance came from loans from family members."

Today, Angus and Janet's property portfolio has expanded to three figures, across a blend of private and social buy-to-lets (BTLs) and HMOs, serviced accommodation units and even a few commercial properties. "With Angus's background as a lawyer, we've bought a lot of properties with short or defective leases where we've been able to add value through legal work," says Janet.

The pair work well together, and Angus says being siblings has brought a number of benefits: "You can trust the other person completely to look after your best interests. We can have blunt, honest conversations – maybe sometimes too blunt, as you know the other person so well!"

Clear roles and responsibilities help, with Janet generally leading on location-based tasks such as viewings and local networking. Having relocated down south in 2005, Angus focuses more on strategy, finances and portfolio/asset management, though he still spends around 10 days a month in the North East.

Seen it, done it

"There isn't much we haven't seen in 18 years of investing," says Angus, before recounting a litany of disasters. "We had builders run off to Dubai midway through a refurbishment with a significant amount of our cash. We had lenders withdraw funds last minute on auction purchases for no apparent reason.

"We've had joint venture partners who didn't pull their weight and honour their parts of the agreement. We've had down valuations, break-ins, cannabis farms, ladies of the night in our serviced accommodation units. We've had projects that overran on timescales or budgets, or both. We've made plenty of mistakes trusting people that we shouldn't have with hindsight!"

Even still, Angus believes they haven't made a bad investment. "We focus on buying well – either buying property at a discount to market or where we can add significant value over and above refurbishment costs. We tend to ensure a lot of margin in our projects.

"Time in the market is always a great healer for an overspend on a refurbishment or an initial down valuation. Are there properties we wouldn't have bought again with hindsight? Yes. Are there properties where we've just broken even when we were expecting much better? Yes. But I'm not sure I would ever say they've been bad investments."

Angus is clear on his definition of a good investment property. "To me, it's a good quality property in a good quality area that is always going to be in demand and is going to appreciate over the long term because of its fundamentals. On the monetary side, it's a property that hits the financial targets you set for your business – yield, return on investment, etc."

Mistakes are inevitable, though: "On one property, I didn't bid £500 more at auction to secure what would have been a seven-bed HMO, because I was so wedded to my numbers. That property still haunts me every time I pass it."

Making the Grade

To date, Angus and Janet have turned their hands to most types of property investment. "We love taking uninhabitable, unloved houses and turning them into places where families can make it their home," says Angus.

"At the moment, we're focussing on expanding our BTLs and serviced accommodation portfolios. We find that our BTLs, although not exactly sexy, have outperformed our expectations in terms of both cashflow and capital growth."

Their latest project involves four holiday let apartments in a 450-year-old Grade II-listed tea and coffee warehouse in Northumberland which also contains two commercial units. At the same time, they're developing a serviced accommodation unit and tackling a flip near Sunderland.

Despite their wealth of experience, the siblings don't profess to be experts in every field. Angus admits he still can't even build an Ikea cabinet: "We do manage our own refurbishments very carefully, though. No tradesmen finishes a property like they own it, so we like to keep control of quality standards and payment terms to mitigate against the risk of a contractor not doing a good job."

Janet concurs: "Angus and I are both very driven individuals who like to get things done quickly and efficiently. Sometimes others just can't keep up and we have to be mindful of that."

There are limits, though: "I find it so hard to switch off, wanting to reply to everyone within the same day. I've now come to accept this is impossible!"

Time in the market is always a great healer for an overspend on a refurbishment or an initial down valuation

The next generation

Passing on advice to budding investors and developers has become a key part of Angus and Janet's workload. "I wish someone had mapped out what it would really be like for us," admits Angus. "I think getting some education is great, but having someone to guide you through your first deal or two is essential."

For anyone still wondering whether to try property investing, Angus has a simple piece of advice: "Just get started. Get some basic education if needed or go to local networking meetings. But get out there and take action. And persevere. Don't let any of the knockbacks which come along – which they will – put you off."

HOW I GOT HERE

Angus and Janet's timeline

2005
Bought first investment properties in Hertfordshire and Gateshead

2009
Took over student flat in Jesmond

2015
Bought South Shields rental property

2017
Bought first HMO

2018
Completed first flip, achieving £24k profit

2019
Bought first serviced accommodation unit

TO LET

2023
Bought Grade II-listed tea and coffee warehouse for use as four holiday lets

A week in my life

Rob Wiggans is Property Hub's investment manager. He spends his days sourcing properties for Property Hub Invest clients. At home, Rob is dad to five-year-old twin boys and enjoys long-distance running

For the past three years Rob has been a regular at MIPIM, the annual four-day property extravaganza held in Cannes. The event gives him the opportunity to catch up with developers, make new connections, and scout out investment prospects in the French Riviera sun – a world away from his usual scene in Manchester.

So, what better week to ask him to share his diary?

MONDAY

The day starts before the sun is up, with a pre-dawn journey to Manchester Airport. In the bag drop queue I bump into a CEO of a developer I've known for years. We get breakfast together and have a catch-up. We're sat next to each other on the plane too, so by the time we land at Nice Airport we've well and truly caught up.

I head to the baggage carousel. Last year my suitcase got lost in transit and I had to buy emergency clothes from Zara, so as you can expect, I'm feeling a little nervous. Thankfully, my suitcase appears, and I jump in a taxi to my Airbnb.

MIPIM attracts over 25,000 people each year. With everyone scrambling to find somewhere to crash, finding suitable accommodation can be nerve-wrecking. I start wondering: "Will the place exist? Will the host turn up? Will they have cancelled it? Luckily, my accommodation turns out to be real – it even has its own garden.

Time for a quick freshen up before heading to a welcome drinks networking event hosted by Place North West, followed by a dinner meeting with an agent. There are a good selection of guests around the table.

I call it a night around midnight, marking the end of a marathon day.

TUESDAY

My alarm goes off at 6.30am. Despite the early start, the energy is high at the networking running club. There's about 80 of us in total. We run up to the Cannes sign at the top of the hill and jog five miles along the coast. It's the perfect opportunity to meet lots of new people and exchange business cards. It makes a change to networking in rainy Manchester.

I grab a quick shower and get dressed into chinos, a t-shirt and a jacket (then realise I've forgot my sunglasses). The dress code at MIPIM is casual, it's not about suits anymore, people wear what they want and feel comfortable in, it's 2024!

Rob Bence and I get to Caffe Roma early to bag a table. It's the centre of the action during the event, so it's where we hold our meetings.

After a successful morning meeting developers, we break off for lunch and head to a stunning venue on the beach for a private event for 50 guests.

After lunch we have a call with a developer back home to finalise a deal for clients, then we meet with one of our developer partners to discuss a deal we'll be launching towards the end of the year.

I spend the evening hopping from one networking event to another. I strategically select which ones to attend depending on the guest list, venue, timing, and potential benefits they will bring. Some gatherings are perfect for reconnecting with familiar faces, others present opportunities to meet or get introduced to specific individuals I'm interested in connecting with.

WEDNESDAY

Another day, another early run. Today's schedule mirrors yesterday's, with a series of meetings and networking events.

MIPIM is an extremely busy event, so good planning, a well-organised schedule, and a fully charged phone are essential. It's all about the prep – you get out what you put in.

It might seem crazy, but we don't go into the conference. It's a global event, so 95% of the stands aren't relevant to us – we focus solely on UK residential development. We just buy the passes to get the guest list so we can plan our meetings. It's a chance for us to meet lots of people in one place, get the inside scoop on what's going on in our sector and strengthen current relationships – everyone behaves differently in the sunshine!

Before we go out there, I spend time letting my networks know I'll be attending and researching the events I want to go to. With so many activities to choose from – like yoga, running, and tennis to breakfast round tables, lunches, drinks events, and dinners – you have to choose wisely.

We meet with a broker from our panel and a residential developer we haven't met with before, then after lunch we have drinks with our legal partner and some of the agents we work with.

Dinner tonight is with a lawyer from our panel who had some interesting guests to catch up with.

I stick to my routine and am back at my Airbnb by midnight. I make sure to keep my alcohol consumption low – I want to get the best out of each event and the connections I make (not everyone shares this approach).

THURSDAY

My last day in Cannes is one of chance encounters and last-minute invites.

I complete a hat trick of morning runs, solidifying relationships I've made with the regulars during the week. On the run I meet the MD of a business we're working on a partnership with. A 30-minute side-by-side jog discussion really helps move things forward.

I only have a couple of meetings booked in today, and I'm flying solo without Rob Bence. I bump into a lawyer we work with and get a last-minute lunch invite which leads to an insightful conversation with a developer and architect working on a masterplan of Derby – a location we love.

At my final networking event in the afternoon, I meet the CEO of a developer we've never worked with before and we discuss a potential partnership on a new site in Greater Manchester.

My flight back to Manchester is at 9pm, so I pack up my things and take a taxi to the airport. Although MIPIM runs from Tuesday to Friday, we've found the Friday can be a bit of a dead day, so we fit everything we want to do into the first three days.

In the airport cafe I run into a developer partner I'd not seen in Cannes. We have a quick chat about a new opportunity and agree to arrange a follow-up meeting back in Manchester.

It's a smooth journey home, but a late one. I finally arrive back at 1am and head straight to bed ready to wake up to the reality of school drop offs and juggling work commitments with family duties.

FRIDAY

Having been away all week it was my turn to do the school run this morning before diving into the day's tasks.

Once I got to my desk, I sorted through the business cards and LinkedIn connections I'd gathered and sent emails or LinkedIn messages arranging follow-up calls or meetings.

To keep things organised, I put together a spreadsheet detailing every contact made and the outcomes, along with notes on events attended and what we gained from them. This will help me stay on track and keep the rest of the team in the loop about our progress.

I spend the rest of the day catching up on "normal" work and briefing the rest of the team on the outcomes of our MIPIM meetings, discussing potential opportunities and next steps.

After work I head out for a run (without the sunshine). We have a family dinner at the local pub then it's lights out early ready for a weekend of Daddy duties.

Close to home

This husband-and-wife duo are reshaping the Liverpool's property market one renovation at a time

By Andrew James

Lauren and Brian try to infuse a bit of Liverpool's lively spirit into every property they renovate

INVESTOR FACT FILE

Name: Lauren and Brian Metcalfe

Age: Lauren 36, Brian 37

Lives: Liverpool

Invests in: Liverpool

Occupation: Lauren, category director for a food retailer, Brian, runs their property business Skaus Haus

Years investing: Seven

Strategy: BTLs, HMOs and mixed-use properties

Goal: To purchase three properties a year and scale their project management business

While some investors prefer to diversify their portfolios across different regions, Lauren and Brian Metcalfe have found that concentrating their investments close to home has given them a unique advantage.

Over the past seven years they've amassed an eclectic portfolio of buy-to-lets, Houses of Multiple Occupation (HMOs) and mixed-use properties within a two-mile radius of their home in South Liverpool, where they live with their three young children.

Keeping their investment area close has its practical perks as well as strategic advantages. "There's the convenience of it being on our doorstep, which means we can make the most of our time, fitting investments around our busy lives. Plus, we're part of the community here, so we have a vested interest in improving the area and the standards of living," says Lauren, who juggles her role as a category director for a food retailer with being a mum and a property investor.

"Investing this close to home means we know the area inside out – every street, every house price, every comparable, every rent. It also means we can be efficient, sharing resources and building strong relationships with other investors and sellers. These connections often lead to off-market deals, giving us an edge in our investments."

But having everything on their doorstep brings its challenges too. "It's definitely tricky to separate life and work when everything's all mixed together. You've got to be pretty disciplined about it and make a conscious effort to switch off. It's even more challenging when you're working together and married. So, finding that balance and knowing when to switch off is crucial," she says.

A fast start

Lauren, originally from Glasgow, found her place in Liverpool after meeting Brian, a local, at work 15 years ago. Their backgrounds in retail buying and merchandising, while not directly related to property investment, have played a pivotal role in their property journey. "The transferable skills we built from our corporate careers have been invaluable in giving us a fast start," says Lauren.

"My job is all about sourcing products, adding value, and selling for a profit. Even though it's in food, the process is pretty similar. Plus, it's taught me a lot about running a business, seizing opportunities, and comparing deals."

They started investing in 2017 after they inherited some money from Lauren's father. They

used it to buy a house on the next street from where they lived. “It was totally dilapidated. We refurbished it, rented it and then refinanced and we’ve grown from there really,” Lauren recalls.

Despite her Scottish roots, Lauren loves living in Liverpool. “When we first moved to Liverpool, we lived in the city centre. We came to the south of the city a lot because there's a lot of greenery and parks here, but it is pretty urban too – there's a lot of students, young professionals and young families. We just really liked the vibe of the place.”

With every property they renovate, they try to infuse a bit of Liverpool's lively spirit. “Liverpool is such a fun and vibrant city, and we want our properties to reflect Liverpool spirit and positive energy,” she says.

In 2020 Brian left his job to focus on their business full time. He sources the properties, manages all the renovations and conversions and takes care of the day-to-day running of the business, while Lauren is responsible for deal stacking, cash flow and interiors.

Back-to-brick

When evaluating new deals they have three key criteria in mind. “Our first priority is location, we have a fixed investment area and don’t flex from it. Second is ensuring the size and shape of the property lends itself to a conversion of the quality we set out to deliver. Thirdly, we look for properties with the potential to add value to enable a strong GDV and robust refinance to enable us to release a large proportion of the initial investment,” explains Lauren.

Their latest project ticked all three of these boxes and was bought at auction, which made the purchase process quicker than a standard sale. “This meant we could get ahead with planning the conversion and be ready to start work as soon as we got the keys,” says Lauren.

It was a mixed-use building with a commercial unit on the ground floor and a three-bedroom apartment on top. They retained the ground floor commercial unit – which they rent to a nutrition club – and converted the three-bedroom apartment into a six-bedroom all en-suite HMO. “In our area en-suite rooms rent quicker and for a higher amount, increasing our ROI,” says Lauren.

It was a full back-to-brick conversion, involving reconfiguring the layout to maximise the available space. Buying properties that require this level of work means the costs can quickly add up. “They are often in poor condition, commonly with structural issues. It's not uncommon for the conversion cost to be more than the purchase price,” says Lauren.

In the early days they did a lot of the renovation work themselves to try and stretch their budget further, but they’ve since taken a step back. “This has been key to our growth and scaling to larger projects,” says Lauren.

As the work on their latest project was nearing completion, they started to hold viewings. “There are benefits to doing viewings when you're just about finished. I think tenants love the idea of being the first people to move into somewhere,” says Lauren.

The project ended up being their quickest conversion yet – they got the keys in October 2023, and the property was fully tenanted to young professionals by the end of February 2024. “They certainly aren’t all as smooth,” Lauren admits.

Despite the speed, there was still a touch of last-minute chaos. "We had a photographer booked to take pictures of the property, but because we were racing against the clock to the last minute, we all, including the children, ended up sleeping overnight there the night before, so we could get set up.”

The numbers added up favourably too. The GDV of the building was valued at £450,000, meaning they were able to release the capital they had invested at the beginning. "The rental income exceeded the numbers we had stacked the project on by an average of £75 per room per month, which helped to increase the yield versus expectations despite high interest rates," adds Lauren.

Their latest project was a full back-to-brick conversion

RUNNING THE NUMBERS

This is how Lauren and Brian's six-bed HMO in Liverpool stacks up financially:

Purchase price: **£175,000**

Deposit: **£43,750**

Purchase costs: **£165,000**

Finance method: **Bridging loan**

Amount borrowed: **£131,250**

Refurbishment costs: **£135,000**

Project duration: **Four months**

New value: **£450,000**

Total left in the property: **£2,500**

Monthly revenue: **£4,125**

Monthly expenses: **£3,025**

Monthly net profit: **£1,100**

Finding equilibrium

While investing close to home may not suit everyone, it has been pivotal to Lauren and Brian’s success. "Even though the location is fixed, we spread the risk by having a variety of properties in our portfolio," Lauren says.

Apart from their own properties, they also project manage renovations for other investors in the city.

And as for achieving balance – they’ve developed a routine that segments their day into dedicated blocks for work-related tasks and quality time with their family. “In the mornings, we're all about property and business discussions, but evenings and weekends are reserved for family time,” says Lauren.

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The regeneration game

Many of the UK's major towns and cities are in the midst of potentially transformative regeneration schemes. Neil Cumins delves into the projects that could breathe new life into lesser-known investment areas

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Thirty years ago, musical anarchists The JAMs released a song called It's Grim Up North. Set to a suitably bleak electronic soundtrack, its monotonic recital of town and city names was intended to underscore the unappealing nature of many British population centres – deprived and disconnected communities whose names alone can serve as a punchline.

Prejudice against rundown, isolated or supposedly working-class towns and cities extends far beyond the London-centric music industry and media, reinforcing a general reluctance to invest in the locations that often need it the most. Yet despite the UK's well-documented economic challenges, significant regeneration projects are going on in many regions.

In the short-term, these regeneration schemes reduce economic inactivity and negate those punchline-friendly reputations. But their true benefits are witnessed in long-term improvements to everything from new employment opportunities to rising house prices.

Levelling up

The UK Government's 'Levelling Up' agenda has received a great deal of criticism, much of it justified. Yet it's bringing billions of pounds worth of investment into some of the country's most deprived regions.

The Levelling Up Fund itself includes £4.8bn of infrastructure investment, with £2.4bn set aside in the Towns Fund for 101 different English towns. Additionally, a further £830m is being directed into a Future High Streets fund in 72 locations,

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while a £2bn Culture Recovery Fund is aimed at museums and art venues. Moreover, there's £1.5bn in City and Growth Deals across Scotland, coupled with £791m for similar schemes in Wales and £617m throughout Northern Ireland.

Alongside capital investment, civil servants are increasingly being relocated outside London (HM Treasury staff are moving to Darlington and Cabinet Office personnel are now based in Glasgow), mirroring the 1960s relocation of DVLA to Swansea and the 1980s transfer of Foreign Office staff to East Kilbride.

This can significantly alter employment and demographics in corners of the country unaccustomed to high-level public sector employment, with knock-on effects within the housing market.

Staying in the public sector, the recent announcement that councils across England will be mandated to give precedence to brownfield site developments should reduce the need for contentious planning applications on greenbelt sites, accelerating regeneration by encouraging faster housebuilding in areas already well-served with transport links and local amenities.

The ripple effect

Regenerating impoverished regions is a laudable aim for any government. Over the decades, regeneration has plugged gaps in urban fabric, improved connectivity and underpinned brownfield transformations.

From a property investor's perspective, regeneration can lead to burgeoning demand for rental properties, greater long-term capital appreciation, and fewer 'problem areas' to approach with caution.

Improving an area's infrastructure, amenities, and community facilities makes it a more desirable place to live and work, drawing in fresh residents, businesses, and employment prospects. This increased demand for property can have a ripple effect, driving up property values and rental demand in surrounding areas.

As word spreads about the opportunities and amenities available, more businesses and individuals are drawn to the area, further fuelling its growth and development.

When good schemes go bad

Regeneration schemes can bring about many positive changes, but not every scheme ends up being transformational. The current raft of council bankruptcies is partly due to misguided historic spending on regeneration projects.

Woking's trilogy of 30-storey skyscrapers at Victoria Square was built using public money, but these empty towers have contributed to £1.2bn of debt which has seen the council axing day centres, dial-a-bus services and even public toilets.

In the early Noughties, Glasgow's Partick district was promised a two-tier shopping centre with 10-screen cinema, a casino, five-star hotel and public events plaza as part of the residential-led Harbour masterplan. Swathes of expensive flats were built straight away, but none of the surrounding infrastructure ever materialised.

More recently, Oldham's Prince's Gate scheme fell apart when a string of hotel chains and supermarkets pulled out of ambitious plans to revitalise a prominent brownfield site. Investors who'd banked on many happy returns from this particular scheme would have been left sorely disappointed after a decade of unfulfilled promises.

Good things come to those who wait

Being among the first to identify a future property hotspot might seem appealing, but when it comes to regeneration schemes, savvy investors will often wait for tangible signs of progress before showing their hand.

Planning delays, value engineering, global headwinds and corporate failures can diminish or derail even the most high-profile schemes – HS2 being the ultimate example.

Whichever location you're hoping to invest in, look beyond the soundbites at the detail of any proposed or ongoing scheme. Don't be seduced by glossy brochures – spend time on the ground and investigate what's actually happening.

Investigate historic house price trends, local employment statistics, indices of multiple deprivation (especially crime and housing data) and local newspapers, which report the bad as well as the good.

Target regeneration areas with multiple unconnected projects in the pipeline, where the abandonment of one won't derail the others. Try to establish the order in which multi-stage regeneration schemes will happen, and only invest in (or near) a scheme once you're confident about what's going to happen – and when.

Finally, consider what difference regeneration could realistically make. Do the long-term aims of a specific project dovetail with your own investment goals in terms of timelines and outcomes? If so, there could be some genuinely exciting investment opportunities across the UK's various regeneration zones.

Over the next four pages, we've rounded up a variety of regeneration initiatives from 10 different regions across the UK.

HOW TO FIND REGENERATION DETAILS

If you don't live or work in a particular area, finding out about future plans can be tricky. Here's a list of resources we use that will help you identify worthwhile regeneration schemes:

The Department for Levelling Up, Housing and Communities publishes information about regeneration projects across various regions.
gov.uk/government/publications/levelling-up-the-united-kingdom

Property Week provides news, analysis, and updates on property investment opportunities, including regeneration projects across the UK.
propertyweek.com

SkyscraperCity Forum has dedicated sections for every major city and region in the UK, where people discuss proposals and progress in their areas.
skyscrapercity.com

Urban Realm publishes details of planning applications and regeneration schemes in Scotland.
urbanrealm.com

Google News
If there's a particular area you're interested in, put it in the search bar along with buzzwords such as "investment" "regeneration" and you'll get a wealth of information back in return.
news.google.com

Reimagining the UK

A cross-section of regeneration projects underway across the UK

Scotland: South Lanarkshire

Despite the much-publicised failings of the coalition government at Holyrood, Scotland continues to attract inward investment and construction. Yet many regeneration schemes have been deemed necessary to redress historic underinvestment or respond to changing consumer behaviour.

South Lanarkshire Council recently announced plans to radically overhaul the neighbouring towns of Hamilton and East Kilbride. The latter is Scotland's largest New Town, with 42% of its indoor shopping mall set for demolition to make room for 400 homes and a new hotel. In Hamilton, only Quarry Street will survive when 70% of the town's retail footprint is erased, including the New Cross and Regent shopping centres. Densely packed residential blocks should reinvigorate both towns' diminished urban cores.

Wales: Swansea

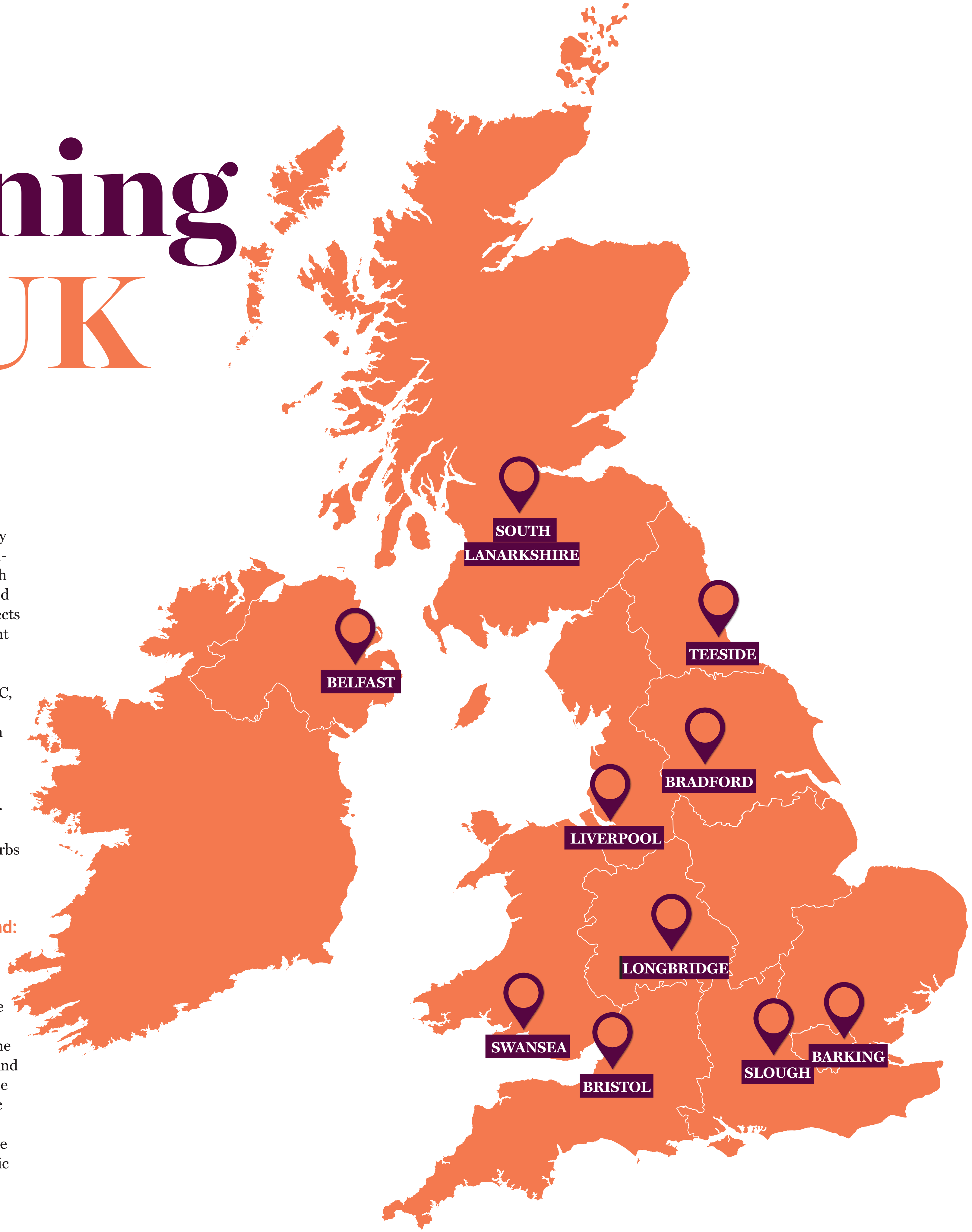
While councils are driving some regeneration schemes, larger conurbations can often attract multiple backers. Swansea Bay City Deal is a classic example of a multi-pronged regeneration scheme, with up to £1.3bn of investment planned across nine programmes and projects which overlap without being reliant on each other.

Highlights include a creative industries hub underpinned by S4C, a 3,500-capacity indoor arena, an 83-acre business/education/health campus, and a £60m investment in Pembroke Dock. Should any one of these schemes stall or not be completed, the benefits of other projects would continue to ripple across Swansea, where many suburbs are in the most deprived 5% of all Welsh wards.

Northern Ireland: Belfast

Although the 2024 Budget signalled welcome new investment for Coleraine and Londonderry, Belfast dominates the Northern Irish property market. And schemes in the Province don't come any more high-profile than Titanic Quarter.

It would be a mistake to assume that the presence of W5, the Titanic Museum and events like AVA Festival mean the Titanic Quarter's gentrification is complete. Huge brownfield tracts remain undeveloped behind the fashionable apartments flanking Queens Road. The Loft Lines development alone will add nearly 800 homes to a gap site beside the marina, while three more hotels will eventually rival the two already trading here. A financial services campus will see four landmark towers constructed next to the Metropolitan College and PRONI buildings.



"Belfast dominates the Northern Irish property market"

North West England: Liverpool

Liverpool Waters is probably the best-known scheme in this round-up, and with good reason. This thirty-year masterplan will bring life back to long-abandoned docks, regenerating areas which have never fully recovered from previous botched attempts at modernisation.

Covering almost two miles of the Mersey's eastern waterfront, highlights of Liverpool Waters include Everton's new Bramley Moore Dock stadium and five architecturally distinct new neighbourhoods. It's estimated that 9,000 homes will be constructed, while connectivity will be boosted by a new ferry terminal

linking to the Isle of Man. In a city where houses regularly reach auction with guide prices below £5,000, the influx of jobs and investment promised by Liverpool Waters has the potential to be truly transformative.

North East: Teesside

As the largest brownfield site anywhere in Europe, the Teesworks masterplan could breathe new life into a former hotbed of heavy industry east of Middlesbrough. The Teesworks site covers 4,500 acres along the southern bank of the River Tees, with almost £250m already raised to fund land remediation across 11 zones stretching from South Bank Station to the North Sea.

There are many reasons to be optimistic about Teesworks' long-term potential, especially with Stockton Waterfront's ambitious town centre regeneration plans. Local housing is among the cheapest anywhere in the UK, with an indigenous workforce skilled in the engineering disciplines which will hopefully position Teesside as a national leader in green energy, manufacturing and logistics.

Yorkshire: Bradford

When the UK government talks about former industrial areas, they have towns like Bradford in mind. Bradford's notoriety is arguably undeserved, considering its bucolic satellite villages, yet its 2025 UK City of Culture award still surprised some observers.

Beyond the thriving Little Germany district, Bradford has endured many false dawns, including an aborted £350m canalside masterplan. However, City of Culture status often underpins large-scale investment. The Brutalist Kirkgate shopping centre will be replaced as part of a 25-hectare mixed-use development featuring 1,000 homes and a business hub. The iconic Odeon Theatre will reopen as a concert and conference venue, and Bradford's celebrated history of urban markets will see a new three-floor market on Darley Street boosting the night-time economy.

Midlands: Longbridge

It's only from the air that you can truly grasp the scale of West Works – a long-awaited and much-delayed masterplan for the old Rover factory at Longbridge. This £1bn scheme will create 5,000 new jobs within a vast business district, complementing the manufacturing and engineering firms that still flank this 75-acre site on two sides.

With a relatively modest 350 homes also set for construction, West Works is focused on job creation in a region still mourning the loss of motoring roles. The Longbridge factory once employed 25,000 people and was the largest car plant in Europe. Future plans include revitalising the River Rea alongside a new riverside park, creating a new Bournville College campus and reconnecting the suburbs of Rubery and Longbridge.

South East: Slough

There's no need for friendly bombs to fall on Slough any more. A £3bn regeneration scheme is transforming this Berkshire commuter town, where almost half the rental properties are reportedly let to former Londoners. Should they wish to commute, Slough's train station is on the Elizabeth Line, offering direct links to Paddington in just over half an hour. Little wonder that a 151-apartment development near the station recently sold out.

Even Slough's most recent architecture leaves something to be desired (the sluglike bus station is a particular disappointment), but it can't be denied that schemes like the Station Square leisure/office complex are helping the town to shake off associations with poems and TV shows.

South West: Bristol

It's easy to bandy around figures to emphasise a regeneration scheme's supposed importance, but sometimes those numbers really do offer food for thought. Bristol Temple Quarter is a 25-year masterplan to regenerate 130 hectares of brownfield land, extending from a refurbished Temple Meads station to mixed-use neighbourhoods beside St Philip's Causeway.

"The influx of jobs and investment promised by Liverpool Waters has the potential to be truly transformative"

Big numbers keep coming, with 22,000 new jobs and 10,000 mixed-tenure homes anticipated. As in Swansea, the masterplan is split across nine zones, from Temple Island to the University of Bristol Enterprise Campus. House prices remain high in a town renowned for its Georgian splendour, and rental yields are already nudging 8% in the BS10 and BS16 postcodes, even amid ongoing regeneration work.

London: Barking

There are few hidden treasures within the superheated London property market. Gentrification and overspill already extend far beyond the capital's boundaries, but one forthcoming scheme does deserve mention.

At Barking Riverside, 10,000 new homes are planned on the site of a former power station, alongside seven schools and 21 hectares of open space. The latter is one element of regeneration schemes which is rarely scaled, because it's cheaper than constructing new buildings. The 2022 opening of Barking Riverside Overground station also acts as a confirmed plank of infrastructure. A £40m Wellbeing Hub (co-funded by the NHS and the local council) will combine GP facilities, a gym and an indoor waterpark under one roof for holistic healthcare.

Mix and match

From budget-friendly buy-to-lets in South Wales to capital appreciation opportunities in South London, Dan Fatica is making the most of the UK's diverse property market

By Chantelle Dietz

If you've found success with one property strategy, there's a temptation to replicate it elsewhere, but it isn't always that straightforward. What works well in one location doesn't always yield the same results in another.

One investor who knows the value of aligning their strategy with the local area is Dan Fatica. He's built his portfolio with this principle in mind.

Dan, 30, lives in London with his girlfriend Katie. He has a diverse portfolio of properties which he categorises into three groups.

"In South Wales I've got my low value buy-to-lets, I call them baby buy-to-lets. I buy at around £40,000 – £60,000, renovate them and then let them out.

"Then there's my HMOs and shops and tops (mixed-use properties) that I'm collecting in Gloucester where my folks live.

"More recently I've been collecting houses in southwest London. So there's a whole mix. Different strategies work better in different locations."

INVESTOR FACT FILE

Name: Dan Fatica

Age: 30

Lives: London

Invests in: London, Gloucester, South Wales

Occupation: Owner of DJF Asset Management

Years investing: Seven

Strategy: BTLs, HMOs, mixed-use

Goal: To carry on collecting properties

Cheap and convenient

Dan bought his first buy-to-let (BTL) – a three-bed mid-terrace in South Wales – when he was 23.

"I went to South Wales because I was working in London, living in Wandsworth, and my parents live in Gloucester, so it meant I could go home on a Friday, sleep the night, get a belly full of food and then set off first thing on Saturday morning and be there for 8:30am for viewings.

"My Saturdays were spent walking around the streets of South Wales – ex-mining towns like Port Talbot, Neath, Ponterdarwe, Porth and Mountain Ash – not Cardiff or Swansea, the prices are too high, and the rents are too low.

"The location worked because the properties were cheap, and it was convenient. I could stop off at my parents, so I didn't have to book a hotel for the night."

He bought the house for £35,000 and spent £12,000 renovating it using a loan from his parents. He added a new kitchen and bathroom before letting it out. He's repeated the same formula – buying a run-down property, refurbishing it to a high standard refinancing it, then renting it – multiple times now.

"I'm still buying those low value BTLs. Just yesterday I was in South Wales. I did 10 viewings. I've offered on four of them so far. I'll never outgrow those low value BTLs, they are brilliant.

"If you fix them well and spend £20,000 – £30,000 on new kitchen, bathroom, rewire and repaint then they'll look after you. The issues come when you just plaster over the cracks or if you take the first tenants that come along."

Family tradition

Once Dan had accumulated five single BTLs, he was itching to try more challenging projects. He wanted to try his hand at higher-yield ventures like Houses

in Multiple Occupation (HMOs) and mixed-use properties, but South Wales wasn't the right spot for this kind of strategy.

His parents have a small portfolio of student HMOs in Gloucester, so he had firsthand evidence it was effective there. "I was 16 when they bought their first rental property, so I've grown up with this idea that property investment isn't as risky as some people think. I've never perceived it that way because I witnessed its success firsthand. It wasn't just some abstract concept to me.

"Sure, I understand it requires hard work, and dealing with tenants can sometimes be challenging, but ultimately, it depends on how well you manage it. Both my parents are very hands-on with the management, so I learned what good practice looks like. I saw that if you're diligent, frequently present at the property, and have a good relationship with your tenants, then, with some effort, it can work."

The location and property type meant prices were in the next bracket up. "The properties are bigger, so I tend to purchase at around £150,000 – £300,000."

His latest project was a six-bed HMO, which he bought for £295,000 and rents to students. "Student lets are a great from a management point of view. You don't have a revolving door of tenants or rooms left empty. Groups of friends tend to take the whole property and they – for the most part – get on well.

"The downside is that there's not much time between one group leaving and the next moving in, which adds extra pressure for any big maintenance jobs."

> "I've grown up with this idea that property investment isn't as risky as some people think"

Strategy set

The final component to Dan's three-pronged strategy involved gaining exposure to capital appreciation.

"This came about in 2020-2021. In the back of my mind, I was conscious Covid had put billions of pounds into circulation and that asset prices were going to go up as a result.

"I knew property prices in South Wales and even in Gloucestershire were not going to go up at the same rate they would in London. So, within 18 months, I bought three houses in London – one in Streatham, and two in Tooting."

The returns on these properties are modest, but he's optimistic about their long-term prospects.

Dan has accumulated what he thinks is the perfect balance of income generating and appreciating assets

"Take the Tooting Broadway property, for example. I bought it for £740,000 in probate condition, but if you went back a decade, you'd likely find it for less than £400,000. We can't predict the exact same growth in the next ten years, but it seems like a pretty safe bet for the next 20 or 30."

Career shift

When it comes to financing his property deals Dan is fortunate to have an insider's understanding of the market. He runs his own bridging finance firm, which he set up in 2017, after learning the ropes in his first job out of university.

Working with investors day in, day out, he gets to witness all kinds of approaches – some good, some less so. "A big challenge of mine is speaking to people that are just getting started but are willing to gamble equity in their homes on really tricky projects.

"They approach me and say 'I've got no money saved, but I've got a lot of equity in my house. Can I borrow against that equity and borrow against the project property?' They don't see the risk. Basically, they gamble on a project they don't have the experience or the money to do. I tell them frequently; this is not the strategy to start with."

Dan's original career plan was in law, but he had a change of heart when it came to securing a training contract. "I'd done a three-year law degree and the postgraduate LPC. I was applying to do a two-year training contract, but I took a job at a boutique bridging firm in the interim.

"As a trainee solicitor you're essentially just a proofreader and photocopier and that really didn't turn me on at all. It wasn't exciting. It wasn't interesting. You're a very small piece in the machine and I thought, 'you know what? I enjoy the finance aspect much more than the law side of things.

"Every case is different and it's exciting. I might speak to a client today who wants to buy a property by the end of the month, so there's a deadline to work towards."

Work-life balance

By organising his portfolio with a mix of income-generating and appreciating assets, Dan has struck what he thinks is the perfect balance. "The income from the smaller units has allowed me to take risks and move on to more sophisticated projects.

"I started with £12,000 kitchen and bathroom renovations and have just finished a £250,000 loft conversion and extension. I wouldn't have been able to do that if I didn't have the income from the other properties."

In November last year Dan and Katie moved in to one of the Tooting properties and invited three friends to move in with them as lodgers. "If you've got kids and a dog, then maybe you don't want lodgers, but it suits us for the time being."

He might still – by his own admission – live like a student, but on the flip side, his financial situation is more secure than most 30-year-olds. "I have a pretty great work-life balance compared to my friends.

"I was in Wales yesterday on a viewing trip. I stopped off in Gloucester last night. I've seen my folks and my brothers live locally. My dad's retired, so I've just taken him out for breakfast. I joke that I retired when I was 23, but it's not quite true."

Dan doesn't have a specific end goal in mind, but he's focused on achieving financial freedom for himself and Katie. "I'm not too sure exactly what the end game is really. I just know I'll be collecting properties for many more years to come."

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

Building a brand

In a world where every impression matters, could a well-crafted brand be the secret to success?

By Chantelle Dietz

Scroll through social media and you'll notice plenty of property investors with sleek logos, cohesive designs and perfectly pitched messaging. It's not by accident: every detail, from the choice of colours to the wording of captions – it's all been carefully considered.

So why are investors paying so much attention to their brand?

Rich Devenport, founder of @prop.designer, specialises in helping investors and developers to establish their brand. He says it makes them look more professional and adds credibility. "It creates consistent presentation for the business, which in turn fosters positive familiarity and reputation with your audience.

"This can help increase occupancy rates, decrease void periods and facilitate faster completion of sales, which all contributes towards maximising that final ROI."

But that's not all. The impact of branding extends beyond attracting tenants and driving sales. It can also be a useful tool for investors looking to raise finance.

"Branding is important for all property strategies, but effective branding is particularly advantageous for property investors who are actively building a portfolio using private investors' funds," says Oliver James, founder and creative director of Property Branding.

"By standing out and showcasing professionalism, investors can open doors to secure additional investments. One of our clients, SW Homes, attracted £600,000 after a rebrand."

Left: Oliver James and some examples of his work

How does it work?

Both Rich and Oliver start by gathering information about the client's existing property portfolio, investment strategy, target audience, and desired brand image.

"Understanding their long-term goals and market positioning also facilitates crafting a tailored branding strategy aligned with their vision and aspirations," says Oliver.

"The approach varies based on the target audience. When aiming to attract investors, differentiation among different property types within the portfolio may not be crucial as the primary goal is to secure private investment. However, when targeting tenants, it's essential to differentiate and tailor branding efforts to resonate with the specific needs and preferences of the end customers."

If a client wants to brand their entire business, then Rich usually has around four or five meetings (online or in-person) over the space of a month

FIVE STEPS TO CRAFTING YOUR BRAND IDENTITY

1 Start with purpose: Clearly define your brand's values, mission, and vision to serve as the foundation for all branding efforts.

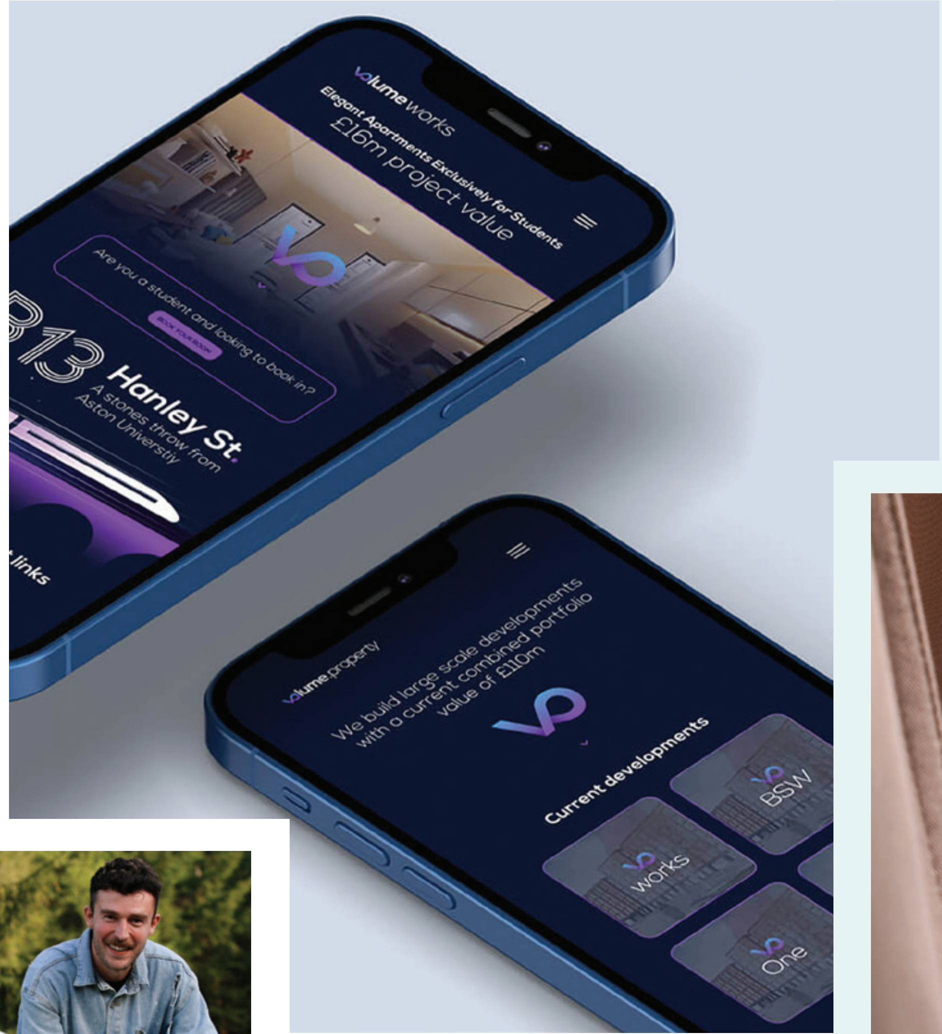
2 Know your audience: Understand your target audience's demographics, preferences, and pain points to tailor your branding messages effectively.

3 Be consistent: Maintain consistency in your brand's visual elements, messaging, and tone across all platforms and communications channels.

4 Tell your story: Share your story to create an emotional connection with your target audience.

5 Rise above the noise: Differentiate your brand from competitors by highlighting what makes you unique and memorable.

Below: Rich Devenport and some examples of his work



with a client to work through defining and realising their brand values, mission, vision, audience, competition, customer personas and USP.

"This helps me build out the messaging behind the brand and very simply what the business is about. It arms the investor with tools and language they can take away and use across social media and when talking to prospects, turning the business into a brand that is easy to put across for the investor, and easy to digest for the prospect they are talking to," he explains.

Deciding on the visual stuff – like logos, websites, fonts, colours etc – comes later in the process.

If the client just wants to brand a single development – like a HMO or a holiday let – then Rich will dive into the visuals straight away. "We'll have a meeting about the local market, competition, and who the potential tenants or buyers are and take it from there."

Depending on the scope and complexity of the project the process can take anywhere from two to five weeks.

How much does it cost?

The cost of branding services can vary significantly based on the extent of the project. For a basic logo design, you might spend as little as a few hundred pounds. For more comprehensive packages that include brand identity, websites, brochures, and marketing materials, you could be looking at costs in the range of a few thousand pounds.

Additional services like social media management, signage, video editing can all be added on.

> "If you have no portfolio yet, or just one or two properties, the last thing you need to spend money on is your branding"

Can you do it yourself?

If you want to build your own brand, the steps are the same. You'll need to start by identifying your audience, defining your brand's purpose and position, think about your brand voice, and design your brand look and logo.

There are lots of tools online that can help with this process. Rich recommends designinspiration.com for visual design and landing. space for mood boarding. Others you might find useful are Canva and Frontify. There are free resources over on Rich's propdesign.uk and Oliver's propertybranding.co.uk websites too.

Just be careful not to harm your image by taking shortcuts or opting for budget templates, says Oliver: "Doing so will only compromise your brand integrity and convey a lack of professionalism."

What are the most common branding mistakes?

The most common blunder is inconsistent use of brand assets – using colours, fonts, and styles vary haphazardly across different social media, websites, and printable materials. Similarly, untidy margins can detract from the overall professionalism of the brand image.

If in doubt, keep it simple, says Rich: "Use less than three colours, one font for headings, one font for paragraphs, keep everything boxed and neat and the font sizes consistent everywhere, it goes a long way to looking considered. Maintaining consistency in these elements is crucial for establishing a cohesive brand image."

Another frequent mistake is relying excessively on stock images and not showing your face. "Stock images imply you don't have enough of a portfolio to show off, and faceless brands are proven to do worse on social media. We want to see the people behind the brand and feel relatable to the content we are seeing," Rich adds.

Should you brand?

According to Rich, the decision to invest in branding depends largely on the stage of your property journey. If you already have a portfolio of properties and are looking to scale, then having a unified brand could be pivotal. But if you're just starting out, then it's probably not a wise move to prioritise branding.

"If you have no portfolio yet, or just one or two properties, the last thing you need to spend money on is branding. You need to find your feet, voice, investment type, funding sources, audience, business persona, and your networking circles. Once these things are established, your intent is set and then your branding can come along for the ride," he says.

"If you brand at the very beginning, and it turns out you really need to go in a totally different direction, your brand might not fit anymore – so you've wasted money and time on it and are more likely to be 'bitter' toward branding a property business as on the surface, it appears it has no benefit."

OUR BRANDING EXPERIENCE

Nicola and Sudhir are The Property Divorcees. They hired Rich to help them create a brand that appeals to people with similar life experiences to them

Eddie Judd Photography

What motivated you to consider branding?

We knew that in order to scale our portfolio and business, we would need to build a profile and we wanted to ensure it was relevant to our target audience. As divorcees ourselves, we want to work with investors with similar life experiences as part of their plan to build their financial future. We knew we could only attract them with a brand that reflected their wants and needs.

What specific objectives or goals did you hope to achieve through branding?

The objective was to create a clear identity that is differentiated in a congested online space, whilst reflecting our vision, values and passion for property.

How has branding positively impacted your business?

Working with Rich has brought the clarity we needed for ourselves initially and for others as they are now starting to see what we are doing. The brand is continuing to evolve and we are about to launch our website, which will provide a further platform to showcase what we are about.

What advice would you offer to others considering branding?

I'd say to prioritise the up front, foundational work of defining your brand. Don't be rushed or swayed because you have preconceived ideas before starting the process. We also learned that it's ok to allow your brand to develop over time, rather than aiming for perfection first time.

Kay became aware of supported living as a strategy via a Facebook post

Socially sound

For Kay Gavin, property success signifies more than just securing financial stability for her family; it's also a means to make a positive difference to the lives of vulnerable tenants

By Chantelle Dietz

Kay Gavin, 35, was scrolling through social media when she came across a post that would alter her investment trajectory.

"It was during lockdown. I came across a Facebook post about matching property investors with care providers that house people with additional needs.

"We've got friends with children that have additional needs. They are getting to an age where they're going to need to start living independently soon, so their parents have started looking into supported living accommodation for them.

"It dawned on me that this could be a way we could help people."

Up until this point Kay and her husband Mark had been building a portfolio of single buy-to-lets (BTLs) in Cheshire, adding value through refurbishment then refinancing to release equity to use towards their next project.

A crash course

Off the back of the Facebook post, Kay enrolled in the Supported Living Gateway –a platform designed to connect investors with care providers – and struck up a partnership with a local care provider.

Their first project – a five-bed House in Multiple Occupation (HMO) – was a crash course in the complexities in providing supported living accommodation. Unlike traditional BTL properties, supported living housing requires meticulous attention to the specific needs of tenants.

"We were very green when we first started. Really, you need a tenant in mind first, then you can create a bespoke property to suit their needs," explains Kay.

"We'd already started converting an old office into a five-bed HMO. When the care provider came round, she listed off all the changes we'd need to make to make it suitable for the tenant. Luckily, we were still in the build, so we were able to work these into our plans. We added ramps up to the front and back doors and a downstairs shower room.

Now, when Kay searches for

INVESTOR FACT FILE

Name: Kay Gavin

Age: 35

Lives: Crewe, Cheshire

Invests in: Cheshire

Occupation: Full-time property investor

Years investing: Five

Strategy: BTL, HMOs, and supported living

Portfolio size: Nine

Goal: To continue providing safe homes for people who need them most properties, she already has in mind what the care providers want. "I tend to send the details over to them and say: 'will any of these be of any interest?' and give them first refusal. If they say yes, then we go away and work out the numbers."

Lending and leasing

Financing supported living properties carries extra considerations. "You need a specific type of mortgage for a supported living property, so we have to be sure the care provider, the council and the registered provider are all on board before we sign. If we don't, we could end up on a product that's not appropriate for standard BTL," Kay says.

"The rates tend to be higher too because they involve vulnerable tenants: if we were unable to pay the mortgage and the lender had to repossess the house, it would reflect badly on them for evicting vulnerable tenants onto the street.

"It's ironic really," she continues, "because we secure government-backed leases on the properties for a minimum of five years. So, from the lender's perspective, they have a guaranteed income stream for five years."

The upside is, once the lease is signed and the property is up and running, there's minimal input required. "We could step back and not communicate with anyone for five years," Kay says. "That's not our approach though. I prefer to stay informed about how people are doing because I still feel a moral responsibility for the individuals in that house; after all, it's my property. But you don't have to deal with any of the usual maintenance issues and there's none of the extra hassle that comes with a typical rental property."

Rents are determined by local market rates and lender requirements. "We approach the care provider with our requirements for mortgage and rental cover," Kay explains. "The lender typically conducts market research in the area, and we also assess similar properties nearby to determine an appropriate price."

Making a home

Kay and Mark (a joiner) project manage everything themselves. "We hire our own joiners, electricians, painters, and everyone else individually," she explains. "It took us quite a few years to reach this point where we have reliable people who don't overcharge us and show up as promised."

They've honed their skills in customising properties to suit their tenants' specific needs. Adaptations vary from installing simple grab rails

and ramps for tenants with mobility issues, to more complex adjustments. In one property they had to enclose all the toilets and wash basins because the tenant had habit of smashing ceramic. Some features they add as standard. "We always opt for an induction hob to eliminate open flames. I just want to make sure the house is functional, safe and nice and homely for the person moving in," adds Kay.

Over the course of their journey, Kay has developed a knack for working out the costs involved. Their latest assisted living project – a 1970s three-bedroom Dorma bungalow – needed a complete renovation. New heating system, new electrics, bathroom, kitchen, flooring, plastering, decoration, carpets – the full works. She budgeted £40,000, and remarkably, the final bill came in at £39,055.

"I'm a bit of a spreadsheet geek, so I keep track of the prices we pay each time. Since we typically buy similar types of houses and use the same materials and contractors, I can make pretty accurate forecasts. For example, if a new house is 100sqm and our last one was 75sqm, I know the flooring will cost a bit more."

Kay and Mark project manage everything themselves

Leaving a legacy

Kay and Mark plan to continuing expanding their portfolio of supported living properties, so they can house more vulnerable tenants and solidify their own financial security.

"Hopefully, we'll reach a stage where we have enough cash flow to sustain ourselves without either of us working full-time. At the moment, Mark is still working, so our initial goal is to transition him out. Once we've done that, we'll be able to grow quicker. Ultimately, our end goal is to pass the business on to our children so they can continue the legacy."

Their children – seven and four – are already involved in the day-to-day tasks of building a property portfolio. "They love coming on viewings with me and pointing out flaws in the houses we're buying. We discuss property and business a lot. We take them to see the finished projects once they are done and talk about the people we're trying to help, why we're doing what we're doing and why we're busy a lot of the time. They're quite engaged in it all."

For Kay, success isn't solely measured in monetary terms, but in the tangible impact her investments have on people's lives. The satisfaction of knowing she's made a positive difference in someone's life far outweighs any of the challenges. "This strategy can test your patience and your humility at times, but once the property is all set up and somebody's in there and it's working for them, there's no better feeling," she says.

RUNNING THE NUMBERS

This is how Kay and Mark's three-bed bungalow in Cheshire stacks up financially:

Purchase price: £132,000

Purchase costs: £5,675

Finance method: Cash

Amount borrowed: £146,250

Refurbishment cost: £39,055

Project duration: Six months

New value: £225,000

Monthly revenue: £1,400

Monthly expenses: £735

Monthly net profit: £665

Cash out after refinance: £140,878

Total left in the property: £34,440

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

How to: Avoid inheritance tax

As chartered tax adviser Laura Cumins explains, you can lessen the blow of inheritance tax with some forward thinking and planning

If you own at least one rental property, as well as your home own home, you should be thinking about Inheritance Tax (IHT).

As a landlord, you'll be used to handing over your hard-earned cash is taxes, but IHT is a particularly nasty tax to stomach. After already having paid various taxes throughout your lifetime, inheritance tax is then imposed at a hefty rate of 40% when you die, making it one of the UK's most punitive taxes.

The good news is the current IHT reliefs available are pretty generous. Each person has an IHT nil rate band of £325,000, meaning assets up to this level are not liable to IHT. Plus, there's an additional nil rate band of £175,000 available for your main residence, if the property is left to your children, grandchildren, or spouse.

However, the typical UK BTL portfolio is valued at around £1.3m, so after factoring in the £325,000 allowance, your heirs could find themselves with a £400,000 bill from HMRC.

Pass and move

There's no IHT to pay on gifts between married couples/civil partners, and any unused part of the nil rate band can be transferred to the surviving spouse (assuming both are UK residents). So, a simple way to mitigate IHT is for spouses to leave all their property to each other in their wills. This means a couple can pass on as much as £1m without paying a penny of IHT. Unmarried couples don't benefit from the same exemptions, so getting married or entering into a civil partnership is beneficial for mitigating IHT.

If you want to pass property on to your children, a good starting point for IHT planning is to think about whether assets can be gifted during your lifetime. It's generally more tax efficient to make lifetime gifts, rather than on death.

IHT can also be due on lifetime gifts, albeit at much lower rates, but generally if you gift assets away and then survive seven years, the transfer becomes exempt from IHT. The value of that gift will then be outside the scope of your estate.

Gifting property to your children can be effective for IHT purposes, but you have to be careful to avoid certain anti-avoidance provisions. For example, it's usually not a good idea to give away the family home to your children and continue to live in it, as you could get caught by the 'gift with reservation of benefit' rules. The asset would still form part of your estate (unless you pay your children a market-rate rent). For this reason, it's usually better for IHT purposes to gift a rental property, rather than the family home.

The gift with reservation of benefit legislation includes a useful exception for transfers of property where the donor does not occupy the land – applicable where a share of an investment property is gifted. This means you can gift part of the property to your children and still continue to receive all of the rental income.

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Property in a company

If your property is held within a limited company, your estate will own the shares in the company, rather than the properties themselves. So, the amount of IHT due is based on the value of your shares in the company rather than the value of the properties themselves (although, the value of the shares generally reflects the value of the properties, so your overall estate would be of comparable value).

There are potential planning opportunities available here by creating new share classes in your investment company. You could, for example, create growth shares, with no voting rights attached. These new shares can then be gifted to your children who would become entitled to any growth within the property portfolio, however you would retain control of the company. This removes any future growth from your estate. An accountant or tax adviser can provide further advice on this.

Making gains

It's important to look holistically at all taxes and not just IHT in isolation, as some scenarios can present a capital gains tax (CGT) issue or mean stamp duty is payable, if there's a mortgage on the property.

A gift is treated as a disposal for CGT purposes, meaning you're taxed as though you've sold the property to your children at market value. CGT is taxed at lower rates than IHT. It was announced in the spring Budget that the highest CGT rate on residential property is being reduced from 28% to 24%. CGT is a tax on the property's increase in value, rather than a tax on the whole asset, so weigh up whether it's better taking the lower CGT hit now to avoid IHT later.

If you don't have children but still want to safeguard your assets, there is more sophisticated planning that can be done using trusts. By placing assets into trust, they will no longer form part of your estate, mitigating IHT. Trusts must be set up correctly to avoid unintended tax consequences. Speak to a qualified tax adviser to discuss your options.

SEVEN INHERITANCE TAX PLANNING TAKEAWAYS

1 **Plan early:** Start your IHT planning early to allow enough time to implement strategies and maximise tax savings.

2 **Consult with experts:** Seek advice from qualified professionals to guide you through the complexities of IHT planning.

3 **Maximise exemptions:** Utilise available exemptions, such as leaving all your property to your spouse in your will, allowing you to pass on up to £1m without IHT.

4 **Explore lifetime gifting:** Consider making lifetime gifts to your children to reduce your estate's value subject to IHT, but be aware of the seven-year survival rule and anti-avoidance provisions.

5 **Consider trusts:** Explore the use of trusts to safeguard your assets and mitigate IHT liabilities.

6 **Take a holistic approach:** Consider all tax implications, not just IHT, when planning your estate, including CGT and stamp duty.

7 **Stay informed:** Keep up-to-date with changes in tax laws and regulations that may affect your estate planning strategies.

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Riding the ripple

All sorts of factors can contribute to creating a property hotspot, but one that's easy to overlook is the ripple effect. So, what causes the ripples and how can investors make the most of them?

What is the ripple effect?

Local housing markets don't exist in a vacuum. Changes in one town, in terms of pricing and demand, will have a knock on effect on properties in neighbouring towns too. This is really the heart of the ripple effect, where house prices rising in one location sets off what is effectively a chain reaction, leading to similar increases in property values in the surrounding areas.

The reasoning is pretty simple. As demand heats up for properties in a certain town, the competition inevitably starts to drive up the prices. As those prices increase, they can often be pushed beyond the reach of many people who want to live there, or who need access to that town for work.

These buyers instead cast their net a little wider, considering the surrounding towns where prices may be a bit more affordable, but which still offer decent access to areas in which they initially wanted to buy. And in turn, as the prices in that second town are driven up, the effect starts again. The house price growth in that initial town ripples out into surrounding areas, driving them up as well. It's just like throwing a stone into a pond. That initial contact with the water sparks ripples in all directions.

Gentrification

One common catalyst for the ripple effect is gentrification, where an area changes in character and becomes more attractive. As it becomes nicer, it attracts an influx of residents, businesses and investment. And as prices rise, surrounding towns often benefit too.

Manchester's Northern Quarter is an example of gentrification in action. Once an overlooked and neglected area, it has undergone a remarkable transformation into a vibrant cultural and creative hub with independent shops, trendy bars, and art galleries, making it a magnet for young professionals and artists. As a result, property prices in the Northern Quarter have surged, leading to increased demand for housing in adjacent neighborhoods like Ancoats and New Islington.

It's a similar story across the UK. In London, the gentrification of Shoreditch has extended to surrounding areas like Hackney, Bethnal Green, and Dalston. These neighbouring districts have experienced a spillover effect as homebuyers look for more affordable alternatives to Shoreditch.

Likewise, the popularity of Birmingham's Digbeth area has had a ripple effect on nearby neighborhoods such as Moseley and Kings Heath.

> "The trick is to find places where property prices have been steadily climbing for a while, then look for nearby areas that offer good value for money"

Infrastructure

Another big driver in this sort of house price chain reaction is infrastructure investment. For example, when a city allocates substantial funds to develop a new business quarter, it attracts businesses to the area. Employees need to find somewhere close by to live, increasing demand and pushing up property prices. This has a knock-on effect on the commuter towns nearby.

Developments in infrastructure can be far smaller, but just as impactful. For instance, it could be the introduction of a new train line, or even a new station on an existing line. The improved transport links will make the area much more attractive to commuters, with surrounding towns also eventually benefitting.

In Bristol, the Temple Quarter Enterprise Zone has attracted new businesses and startups, while improvements to the local rail links and the MetroBus network, have made towns like Yate, Keynsham, and Weston-super-Mare more attractive for commuters.

Follow the money

Then there's the matter of foreign investment. The UK housing market has long been attractive to investors from abroad, and this can act as a catalyst for a house price boom within a specific area.

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This is precisely what happened in London following the financial crash in 2008. House prices in the capital took a hit – data from the Land Registry shows that the average value of a property in London dropped from a high of £298,559 in October 2007, to a low of £249,991 in May 2009.

Yet prices bounced back pretty quickly, largely because of foreign investors viewing the UK – and specifically London – as a safe haven for their money, purchasing prime properties within the city. This influx of money served to push up prices, and meant buyers who would have ordinarily been interested in those prime properties were priced out and had to look further afield.

Timing the ripple

It's important for investors to bear in mind there are different stages to the ripple effect, meaning there can be a significant passage of time before the effects of a house price increase in one area begin to be felt elsewhere.

This is crucial, because it means that even if you are slow to recognise the initial house price rise at the centre of the ripple, you'll still have time to take advantage in those areas that enjoy the knock on effect.

Equally, it's worth remembering the ripple effect will reach different towns at different speeds. It doesn't unfold uniformly across all towns. Different locations experience its effects at varying speeds. Some areas may see rapid price increases soon after the initial surge, others might take longer to feel the ripple's effects.

Spotting the next ripple

Every area's different, so if you want to capitalise on the ripple effect phenomenon you need to do your homework and understand the dynamics of each town within the broader property market context.

Start by pinpointing areas that have seen a lot of growth and still attract plenty of interest, but where nearby spots haven't caught up in price yet. The trick is to find places where property prices have been steadily climbing for a while, then look for nearby areas that offer good value for money.

Keep an eye out for things like transport links, local amenities like schools, shops, and recreational facilities. Are there parks, cafes, or cultural attractions that make the area appealing? These factors can significantly influence property values and the desirability of the area for potential renters.

Looking back at historical data can be a big help too. By seeing which areas have already felt the effects of the ripple, you can get a better sense of what might happen next. It's all about asking the right questions and digging deep into the research.

Planning to succeed

If you want to get in early, keeping an eye on planning applications is key. Big companies do their homework before setting up shop, so spotting their interest early can mean catching the start of a ripple effect.

If a big supermarket chain or a build-to-rent developer plans to build in an area, it can signal big investments ahead. Similarly, if developers hold onto land or sit on planning permission without building, they could be anticipating property value hikes.

It's smart to stay aware of changes in the area, but with a cautious eye. Not all developments are good news for property values; some might even put off potential tenants. While we can't predict the future, riding the ripple effect wave involves watching trends and staying alert. By spotting patterns early, investors can position themselves to make the most of shifting property markets.

FIVE TIPS FOR RIDING THE RIPPLE

1 Do your homework: Spend some time researching areas that are booming and those nearby that might catch the wave later.

2 Keep tabs on what's happening locally: Stay in the loop about local changes like new rules, economic shifts, or cool new spots popping up.

3 Watch out for new plans: Pay attention to planning applications for new developments or infrastructure projects, they can provide early indicators of future property value increases and investment potential.

4 Stay flexible: Be open to changing your plans if you spot a hot new area or something unexpected happens in the market.

5 Play it safe, but don't miss out: Approach investments with caution and conduct thorough due diligence, but don't let fear hold you back from seizing a great opportunity.

Proficient cycling

There are ways you can benefit from the 18-year property cycle without taking it to extremes, writes Rob Dix

One of the most important frameworks we've followed over the past decade is the idea of the 18-year property cycle.

In brief, the idea is that, after a crash, property prices take four years to hit the bottom and stabilise. They then rise gradually for much of the next 14 years.

But in the final few years they go into an unsustainable boom where buyers get carried away and pay silly prices – which of course sows the seeds for the next crash.

Guide not gospel

In theory, it's obvious how to profit from knowing about the cycle: wait until prices are booming and the market is in true mania mode, sell everything, then wait for the crash and buy it all back at a discount. Right?

Well, yes, this is the ultimate trick to pull off, if you can – but it involves incredible bravery and conviction, and no small amount of effort.

For most investors (myself included), I'm not convinced it's a realistic approach. But that doesn't mean knowing about the cycle is useless: there are a few ways you can benefit without taking it to extremes.

The first of these is to use the cycle as a guide, not gospel.

Most people who get into trouble in property make the same mistake: they get carried away and over-pay in hot markets. Avoid just this one mistake and you're already in a stronger position than the majority of investors.

You can avoid that by using the cycle as a lens to interpret what's going on around you. If everyone is getting carried away and you're struggling even to secure a viewing, maybe it's time to pull back a little, because a crash could well be around the corner.

At the other end of things, if the market is more depressed, the cycle can give you the confidence to be a bit braver and more active than you normally would be – taking advantage and hoovering up some bargains.

By keeping an eye on the cycle you can also use it to help you sell high.

Even if you don't have the confidence to buy low when the market is struggling, you can still take advantage of the cycle by selling high when the market is strong.

We all end up buying properties that don't perform as well as we'd hoped, and a hot market is the perfect time to offload them. Something that would usually end up sitting on the market for months could become the subject of a bidding war, purely because the market is so active.

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Keeping faith

Another lesson to take from the cycle is simply to keep the faith. Even if I don't act on it, I take a lot of comfort from knowing that property IS cyclical.

I know that when prices fall they don't fall forever, and it doesn't mean everything is doomed: it's a natural part of the cycle.

Remember: there will be booms and crashes, but each cycle starts from a higher level than the previous one. So by keeping the faith and holding on for the long term, ultimately you can't lose.

Of course, to be able to hold on for the long term, you need to avoid being forced to sell a property during the rare but inevitable periods when prices have fallen.

This isn't a matter of luck: there are a few simple actions you can start taking from the very beginning to make sure that you won't be forced into selling when a crash inevitably comes.

The main risk of a market crash is not being able to keep up your mortgage payments, putting you at risk of being forced to sell when prices are at their lowest. This means it's important to let your loan-to-value drift downwards.

If your loan-to-value is at 75% and prices fall sharply, you could find yourself needing to refinance at 90% of the property's value. That might prove to be impossible, leaving you stuck on a costly standard variable rate. Can't make those expensive payments? You lose the property.

One source of protection is to resist the temptation to borrow more as your property's value increases, instead letting your loan-to-value drift downwards over time. If you're down to 60% loan-to-value by the time the crash comes, you're far more likely to be able to borrow on good terms and keep your asset profitable.

Of course, your best defence against a crash is a healthy buffer of rental profit each month – and the way to create that is to keep your rents up.

But, as many investors faced with increasing costs have discovered, by the time you need to do it, it's often too late: your tenants are within a fixed term, or can't afford a substantial increase.

Keeping your rents in line with market norms by making small increases each year will save you from this.

It's also essential to stockpile some cash early on. Ultimately, all problems are cashflow problems: the market value will recover given enough time, but you need the cash to stay in the game in the meantime.

This is where an emergency fund comes in: enough cash to cover whatever you consider to be a reasonable worst-case scenario. Holding more cash than the bare minimum might feel like a waste, but it's the best way of removing risk – even allowing you to pay off a chunk of borrowing if needed.

Just like riding a bike, mastering the 18-year property cycle doesn't require performing extreme stunts or attempting risky manoeuvres. It's about finding your balance, being able to navigate various terrains, and pedalling steadily towards your goals.

With the right technique and a steady pace, you can navigate the cycle smoothly and enjoy the ride without fear of falling off.

If you'd like to explore the 18-year property cycle in more detail, you can take our FREE course at **propertyhub.net/university**

The art of negotiation

Negotiation isn't just about money – it's about getting into the mindset of the seller, writes Rob Bence

Most people don't like negotiating, but if you want to succeed as a property investor it's an essential skill.

There's no one-size-fits-all method to negotiation, and it's a common mistake to assume the way you negotiate will work in every situation. Successful negotiation hinges on your ability to grasp the preferences and motivations of the seller and adjust your strategy accordingly.

Suss out their style

When I'm negotiating, I take the time to understand the other party's personality and needs. Some developers we work with love to have a wrestle in the mud. Even if I gave them the figure they wanted straight from the off, they'd still turn it down because they love the conflict and they love that I'll go on that dance with them.

I'll put an offer in that I don't expect to be accepted. They'll be offended and propose a figure. Then eventually, after me pretending to walk away, more often than not this back-and-forth leads to an agreement. It's all part of the game we play.

Others don't like that style of negotiation. They dislike confrontation and would probably walk away from the deal if I adopted this kind of approach with them, so I try to pitch my offer closer to what I think will be accepted.

Find out what they want

When selling property, not everyone is in it for the cash. Money will be part of the equation, but it might not be the main thing driving their decision. If they've been messed around in the past, they might be looking for a buyer they can trust or be after a quick sale because they need to move swiftly.

Chat with them directly or speak to their agent. Find out what it is they value most in an offer. Pay close attention to verbal cues and subtle signals – active listening can uncover valuable insights and guide your negotiation. Once you've got them figured out, you can tailor your approach to match their circumstances and improve your chances of success.

Create a narrative

When making an offer, I always provide an explanation with it. Instead of just stating a number, I offer context behind the figure. The specifics of the explanation aren't critical, but it helps to establish a narrative and rationale for the proposed amount. Without this explanation, the other party is left to interpret the number on their own, which can lead to misunderstandings.

For example, if I notice that similar properties in the area have sold for lower prices recently due to market shifts, I'll use that information to support a lower offer. Providing this rationale helps the other party see the reasoning behind my proposal. I've found that offering this explanation can be an effective tool in negotiations. And, if negotiations start to drag on, I'll impose a deadline, even if there isn't an explicit time constraint. It helps to inject urgency when discussions seem to be losing momentum.

Next time you find yourself in negotiations, take a moment to suss out the seller's style, find out what is driving their need to sell, create a compelling narrative, and if needed set a deadline to keep the momentum going. With these strategies in your toolkit, you'll be better equipped to navigate the twists and turns of negotiation and secure successful deals.

Listen to The Property Podcast every Tuesday and Thursday via your favourite podcast app or on our website: propertyhub.net/podcast

What I've learned

Elly Freeman bought her first buy-to-let five years ago. Since then she's learned just as much about herself as she has property

Invest in yourself

I started by educating myself with books, podcasts and webinars then I decided to take my personal development further. I've done formal property training, had a mentor and a business and mindset coach and it has all been worthwhile. Having the relevant knowledge has made me feel confident when giving presentations and in meetings. It has also made things a little less scary. Property training can accelerate the building of your network when starting out as well.

Get out there

As the saying goes 'if you want to go fast go alone; if you want to go far, go together'. That doesn't necessarily mean you have to have find a business partner, it can just mean expanding your network. I've put a lot of effort into meeting like-minded people. It has helped me build my list of professionals and trades. Getting recommendations is a much better way to find people for your power team. I also go to business networking groups like the local Chamber of Commerce. It's great for meeting other entrepreneurs. Local WhatsApp property groups are also a great place for fostering friendships, collaborations and recommendations. It can be a lonely place as a solopreneur in property.

Be a pragmatist

Don't expect other people to have the same standards as you. Do what you can to surround yourself with people who do, to mitigate disappointment. Things will go wrong – it's a given, but find a solution, act on it and move on. Life is too short to dwell on things that you can't change.

It's OK to pivot

We all start out with a plan – it's good to have goals – but we don't have to stick to them if things change. Learn to be flexible if opportunities present themselves. My plan was pretty standard: purchase single buy-to-let (BTL) properties then move on to Houses in Multiple Occupation (HMOs), then at some point, move on to social housing.

After my first BTL I found a deal for three social housing properties for £55,000 and so my plan changed. These properties made me realise providing homes for people in need is where my heart lies. I'm now working with joint venture partners to provide supported living accommodation to companies and charities that house vulnerable children and adults.

INVESTOR FACT FILE

Name: Elly Freeman

Age: 59

Lives: North East

Invests in: Sussex

Occupation: Property investor and professional chef

Years investing: Five

Strategy: BTL, social housing and supported living

Portfolio size: Four

Goal: To set up five more supported living homes before she retires (if she retires)

Get rid of limiting beliefs

Sometimes our limiting mindsets can get in our own way, I know mine has. Learn how to believe in yourself if you struggle. There are great books and podcasts out there to help and coaches if you feel you need more support.

If you're a portfolio landlord and would like to share your property wisdom, we'd love to hear from you. Email us: magazine@propertyhub.net and we'll get back to you.