

Property Newsletter

Issue 2 – Q2 2011



Eight tips to renting your property and not buying one that won't rent!

Rental Insight

There are some really simple steps that everyone should follow to make sure their property rents well. It starts before you buy the house.

1) Advertise the property to rent before you have bought it. Use the local newspaper. If you don't get at least ten responses from three evening adverts then don't buy the property! Then you won't have a property you struggle to rent!

2) You want everyone to ring you so don't use your advert to block people. Adverts often say NO DSS or NO PETS. So the person with a goldfish does not bother ringing you. You want as many calls as possible. A sample advert: North Street, 3 bed house to rent, large lounge, GCH, £140 per week, bond and refs required. Tel 07777 888999.

3) If the rent is less than £650 per month quote the rent weekly. It sounds less as people will multiply it by four in their heads to work their monthly!

4) Don't insist on one month's rent plus one month's deposit. This can knock a lot of good tenants out. If they can manage



something reasonable and offer to make it up to the full amount over the first few weeks consider it.

5) Once applicants start to ring you want to get them around the property. Don't put them off but also don't go to the property lots of times. Tell them the time and date you are viewing the property and do all the viewings in a one hour window.

6) Ideally you want people there together as it creates competition and people want it more.

7) Get all interested parties to fill in a very simple application form that gives you all the details and references you need plus explains clearly what money the rent will be paid from so you can do a reasonableness check.

8) Order the potential tenants in the order you prefer them and then reference the first one with verbal references. If you want to do agency references then do it direct with a company – letting agents take a cut on top

9) If you don't want the hassle use a rental agency. Make sure you pick the right one by asking what their process is for letting property. Ask them to work to the rules above rather than accept their method.

Tell them how you want the work to be done.

By: Aran Curry

IN THIS ISSUE

A SIMPLE
FORMULA FOR
SUCCESS

LEVERAGE-THE
REAL KEY TO
PROPERTY PROFIT.



TENANT
DEMAND
CONTINUES TO
RISE

KEY RULES

FEATURED
PROPERTY



PUBLISHED BY:

Property Insight
Enterprise Centre
Auborough Street
Scarborough
North Yorks YO11 1HT
T: 0800 043 6072
F: 01723 506655
www.propertyinsight.info





PROPERTY
— insight —

FEATURED PROPERTY



Wall Street Doncaster

Property Value £70000
Purchase Price £52000
Rent £480 pm
Mortgage £250 pm
Maintenance £80 pm
Building Ins £20 pm
Cashflow: £135 pm

This is an example of a Property Insight property sourced for our clients. The property was sourced with a large discount and once the property had been owned for six months we were able to help the client remortgage the property and release the discount to invest in their next property.

All properties bought have over £100 per month cashflow or we don't believe they should be bought.

See our free videos: www.propertyinsight.info/register/nine-free-videos/ to get tips and advice on buying the right properties.

A Simple Formula for Success

As an ActionCOACH business coach I am often asked what makes people successful. There are many things that can help people get more from their lives, their businesses and their property investments.

However, one simple definition of success that highlights two key ingredients in a successful future can be summed up by the equation:

Success = Knowledge x Action

What does this mean? Well, in order to achieve more, we should focus on understanding the best things to do next (Knowledge) and then doing them (Action). The multiplication sign is very important here. Because we can learn lots and do nothing or learn nothing and just run around doing anything we can think of and typically the result of either is similar – little improvement in our situation. So we must do both in great amounts to get a much better outcome. So, in order to achieve greater success we should learn as much relevant information about what we want to achieve and then either do what we now know will give us a better outcome, or find someone to do it for us i.e. delegate



it. But the most important thing is that we take action.

As an ActionCOACH I help business owners understand better how to grow their businesses, make more profit, work fewer hours and build stronger teams and then hold them accountable to do it or delegate it. In this way my clients achieve significantly better results in their businesses.

So how does this relate to property investment? Well the first issue is to learn how to do it as successfully as possible to ensure the best rate of return on our investment. By regularly reading this newsletter, attending Property Insight property events, and visiting the website, you are taking great strides towards improving your knowledge.

But how to take Action? We have two main choices, to spend many hours and days finding the right properties, negotiating their purchase significantly below true market value, repairing them to a rentable state, marketing them to find a tenant and then managing them on an on-going basis.

Or we can delegate this activity to an expert organisation like Property Insight, which, with its 15 years of property investment experience will do all of this for you so you can concentrate on doing what you do best.

Property Insight can provide you with a complete service combining the most detailed knowledge and taking consistent, effective action to grow a successful and profitable portfolio for you.

The most important thing is that you do something, otherwise reading this has no value...

Good Luck

By: Chris Fordy, ActionCOACH Business Coach and Director of Property Insight



LEVERAGE

Those that are paying attention will know this is the same article as last time! Its deliberate – there is no more important lesson to learn in property investing! Click here to see a video on leverage www.propertyinsight.info/leverage

The real secret of investing in property is leverage; the ability to control an asset worth £100,000 with a £25,000 deposit because the bank will lend you the rest.

Many first time investors or even established investors miss this point.

We speak to a great deal of clients every week who are considering investing a large lump of money into one property, when they could control numerous properties for the same investment.

If you are in property for long term growth, the more property you

own the more profit you will make.

As an example: £100,000 in one property that goes up 10% will make you £10,000.

£100,000 used as four £25,000 deposits will mean you control £400,000 of property. A 10% increase then makes you £40,000 profit!

We are not advocating lots of debt but there is good debt and bad debt. This managed in the right way is about using that good debt in a leveraged way to make more profit. Rich Dad, Poor Dad by Robert Kiyosaki is a superb book, available on Amazon; that explains these ideas.

There are only really two real ways to get such leverage and that is through the stock market trading options (very risky if you are not a professional) and through owning businesses that can grow without you (again not available to all of us). Property makes this kind of leverage possible without too many risks.

For more information feel free to contact the team at Property Insight who will help you review your situation

By: Aran Curry, Insight Group

Tenant Demand Continues To Rise

According to the latest Private Rented Sector Trends report from buy to let mortgage specialist Paragon (April 2011) tenant demand has risen for seven successive quarters and the trend is set to continue.

In a quarterly snapshot almost half the landlords surveyed reported an increase in tenant demand in the first quarter of 2011, with 49% of landlords reporting growing demand compared with just 5% who said it was falling. This figure is up from 40% reporting growth during the fourth quarter of 2010.

Over half (52%) are expecting demand to continue to increase in the next 12 months and only 6% expecting a decline.

Neil Terrington, Paragon Group Chief Executive said “Landlords are experiencing high levels of tenant demand, and this is expected to rise due to a number of factors, including social housing reforms, lifestyle choices, low numbers of first-time buyers and wider demographic changes. We are seeing evidence that strong tenant demand is feeding through to higher rents. A lack of available mortgage finance is restricting the sector’s ability to expand and needs to be addressed to create a healthy and vibrant buy to let market in the UK.”

Rental yields are now at their highest level since 2009 (6.2%) and void periods are down to 2.8 weeks p.a. – the third quarterly reduction in a row. Confidence in the buy to let market is strengthening, and beginning to gather momentum.

The Daily Express headline report on Friday 6th May stated “Cheap Home Loans On Way” and then rattled off a number of high street lenders (including Nationwide, Barclays, Northern Rock, Halifax, Skipton and Leeds Building Society) all looking to improve available mortgage deals.

To find the best deal for you, talk to Mortgage Insight, who will review the whole of the market on your behalf.

For further independent advice call Mortgage Insight on 01723 506553 or email

info@mortgageinsight.co.uk

By John Kent, Mortgage Insight



Key Rules in Purchasing Buy to Let Property

The key to good investing is buying the right property. Our properties run at 98% occupied and 95% paid. This is because we only buy a property after doing very strong due diligence checks.



1. Only buy with discount. Why pay more than you need to? We would rather offer 85% of what something is worth 100 times to save the £15,000. You might get 99 people say no but its worth it to find the yes. If a property is on the market at £100,000 then it is probably worth about £93,000 (right move statistics show they sell on average for 93% of what they are marketed at). So a discount is 15% off the £93,000 not 15% off the £100,000.



2. Always advertise a property to rent before you buy it! A cheap ad in the local paper costs £20. If less than ten people reply then don't buy it. You will always struggle to find tenants. If over ten people reply you will have tenants fighting over the property. Perfect and simple.
3. Buy in the right area – don't just buy round the corner because its easier. If you can buy a house in one town for £150,000 and it rents for £650. And in another town a house for £75,000 rents for £560. I know I would rather have two from the second town!
4. Only buy a property that is cashflow positive after costs. Rent- Mortgage- Maintenance – build insurance – rental agency cost should still leave £50 or more. Otherwise don't buy it! It will cost you money in the future.

If you have a property purchase you would like to run past us use the contact us form on the website – www.propertyinsight.info

Author: Aran Curry
Property Insight



Access to all of the Insight Groups resources and free literature

We believe in sharing what knowledge we have – freely.. You may use it yourself or pass it on to others you think may find it interesting.

With this in mind here are some ways you can get the free information we currently have and make sure you are aware of any new videos, newsletters etc.

NEXT SEMINAR: Free events held every month with property experts speaking about property –

Scarborough Rugby Club – 31/05. York Marriott Hotel – 27/06. Hull Mercure Hotel 05/07.

NINE FREE VIDEOS: See our free property videos at www.propertyinsight.info full of lots of free and useful information on property investing.

LINKED IN: Join Aran on linked in by finding Aran Curry on linked in.

TWITTER: Follow us on twitter by connecting to PropInsight.

FACEBOOK: search for Property Insight

BLOG: Join us on Linked in or twitter and you will know when we have blogged or register www.propertyinsight.info