3 Simple Steps To

BUY TO LET SUCCESS

01 Find **02 Fund** **03 Fill**

The Simple Three Step System That Every Property Investor Needs To Master

Progressive Education

Educated Property Investment

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Introduction

There's a journey that every successful property investor takes that seems to work the best. It's not just about the strategy, it is about the right strategy for YOU and the TIMING of the right strategy for YOU.

There's also a three step system that every property investor needs to master: I don't know if you've ever got into difficulties in buying properties, either getting started or on your journey?

If you master these three things, you will never have any issues in going out there and making a load of money in property. If you overcomplicate things or get overwhelmed then this three step system will give you some clarity.

The model is, Find them, Fund them, Fill them. Simple As That.

The reality of making money in property is your money is directly linked to Deal flow. Now you could have a really good relationship with potential joint venture partners and lots of people in the property industry and have a great network but if you haven't got deal flow, there's no property business.

Deal Sourcing & deal flow, is therefore vital, but if you haven't got good at either then that's one of the areas you are going to need to focus on, and this blueprint will help you.

Finding The Deals...

Without deals, the discounted, cashflowing properties that build your portfolio and lifestyle, your property business doesn't even get you off the ground.

You see, buying properties is an art form. If you say the wrong thing to Estate Agents or home owners, you lose the deal. Can you relate? There's often a big difference between small and subtle language changes which are very important.

Your success will be measured against the strength and volume of deals, so this section is very important.

Here are the first and most important few to get you started sourcing the best deals locally to you.

Estate Agents

Estate Agents could be vital to your negotiation and dealmaking success.

The great thing about sourcing through Estate Agents is you don't have to pay for entry into the agency...

The great thing about sourcing through Estate Agents is you don't have to pay for entry into the agency, you don't have to pay the 'consultant' for his time, and you don't even have to pay the home owner to buy their property, or the agency.

Free [financially] deals, my friend.

They are the most leverage-able assets in your property business.

Where else can you employ someone for (virtually) free, to source you cashflowing assets without huge time input yourself, with fees paid by someone else (the home owner)?

An IFA won't work like that!

Their palace is the place where virtually all properties are sold. And mostly a 'done for you' service.

It doesn't matter what you think of Estate Agents (and any, often false, preconceptions) you need to make these guys your friends. We've bought over 220 deals through

Estate Agents alone, and in the early days when we didn't know how to market in different ways, it was our Golden Goose. Still is.

You must deal with each agent differently depending on their character, age, sex. The end goal will be to have a relationship with the specific agent that is more similar to friendship as opposed to a business relationship.

Contrary to what many people believe, most are honest and hard working with a load of knowledge which you can leverage.

Despite working on behalf of the home owner, Estate Agents can be very helpful to you.

Every free, well analysed small single let property (the best) Agents pass you could make you a couple-a hundred quid a month compounding net Cashflow, £20k plus locked in equity (plus a 25% plus 'insurance policy' against dropping prices), plus future passive rental and capital growth.

And that's outside London.

You see, their job is to sell properties and meet targets, and for that they need fast buyers, not just sellers. Their ideal buyer would be fast, efficient, friendly and trustworthy, and someone who is going to buy over and over. Does that sound like someone you know?!

Despite the increase in direct marketing methods, 90% of houses are still sold through Estate Agents. There is a far lower financial acquisition cost through agents and there is better leverage in getting someone else [or many agents] doing the groundwork for you.

Estate Agents need good buyers like us, like you, as much as we need them. Not only do they have sales targets, they also have heavy competition from other agents to be proactive so that they don't lose their listings to other agencies. This would be a disaster to an Estate Agent, not so much because of the loss of a couple of grand commission, but more for reasons of competition and reputation.

Just viewing properties and making offers will build rapport and gain the trust of agents, getting you closer to your first deal, or your pipeline of many future ones.

This will be your 'alone time' with the agent out of the office where you can 'test' some information about the home owners motivation, who else gets the best deals, if they understand 'no money down,' if they are proactive, hungry, motivated, what drives them and so on.

Viewings not only enable you to build out of office, honest rapport with an Estate

Agent, it goes without saying that without viewings you can't offer, and without offers you can't buy. You also help Estate Agents hit viewings targets, which many of them are measured by, with their bosses, and home owners.

This knowledge is also vital, because you are much more able to help them get what they want, as you get to know them better. And it aligns perfectly with your goals; view 20, offer on 12, get at least 1.

Your low offers may at first start as favours to agents for perceived activity, but some will turn into deals.

It's a numbers game. And your numbers will get better the more you view and make offers. And all those things you might be worried about [low offers offending, too many offers might get you more deals than you can finance] will disappear with the real experience.

Property Tip 1:

Revelation alert: The more properties you offer on, the more you will get.

The more you offer on at the price you want to pay, the more you will get at the price you want to pay.

The more you offer on at the price you want to pay, the more you will get at the price you want to pay.

If you want 10% BMV [Below Market Value] deals, you probably won't have to view that many to get one. If you want 35% BMV deals [which are out there] then you'll have to view more and offer lower.

We have built up a network of Estate Agents in our local area, many of whom have become genuine friends. It is essential to strike up a good rapport with your agents and become someone who they will call ahead of the rest of the pack. Trust and friendship: 'people buy people.'

It is also very important to build rapport with everyone in the Estate Agency, not just the boss or decision maker. We see so many people bound in and go straight for the kill, crushing the admin staff in the process. This is a big mistake because a) they could have a good relationship with everyone in the office b) they could be the boss's daughter, spouse or lover and c) they want respect and importance just like everyone else and could be your best route in.

A great way to become close to agents is to go out socially with them; go above what they would expect of you. Perhaps take them out for lunch. Think about what it is that they want. Maybe they have specific interests that you can relate to.

Use your creative imagination to add value. Find out what it is that gives the agents their importance and significance. It might be success, power, respect, recognition, tanning vouchers, track days, dental work [all real examples] or simply someone who is nice to them.

Ensure you have done all your number crunching before you view, or on the Deal

Analyser App while you are viewing, so that once you have viewed a property get back to them immediately with your thoughts and an offer if necessary. Commit to calling the agent back in the morning ["I just need to run over the figures overnight"].

Tell them you will call them tomorrow and make sure you call them before they call you – the next day. Offer if the deal is right for you, and don't waste time.

And if the deal isn't right, either offer very low so that it is likely to get rejected [or if you got the deal the numbers would work], or give them genuine, honest feedback as to why. That way you teach them gradually what you would buy.

This will let them understand in a more specific way what you are looking for and will keep you in their mind for when the next deal comes along if the offer does not get accepted.

Direct to Seller: When you advertise 'direct to seller or home owner' [D2V], you bypass the Estate Agent, and also you find home owners that would rather sell directly to someone they trust, because some sellers don't like or don't want to deal with agents.

Your strategy is to identify MOTIVATED SELLERS and to do so you need to demonstrate you can move quickly to purchase their property.

This is a seller who wants and needs to sell, where price is not their highest motivator. If the pain of debt or divorce, or an imminent relocation or repossession or a tenant from hell is big enough, it will be more important to get rid of this than achieving a maximum price.

So what are the 3 stages of motivation?

Stage 1. Motivated seller
Stage 2. Distressed seller
Stage 3. Desperate seller

Stage 1 - Motivated seller

There's a motivation, a pressing need and reason to sell.
One of the 7 of the D.*.S.*.U.P.* model

Stage 2 - Distressed Seller

The motivation is causing distress. The pain is high and a fast solution is needed. Price is less important than speed and the specific motivation.

Stage 2 - Distressed Seller

The need is as painful as it gets and immediate. If the sale does not happen fast, the pain gets to breaking point, and at worst the house can be repossessed. It's far too late to be able to negotiate, and the best offer is sacrificed for the quickest, and best alternative solutions.

These deals, around 7% - 10% of total sales [but still a huge number], are the deals you want to focus all your time on. Huge leverage. Contrarian thinking.

The best negotiators hunt out the deals with these motivations, where the pain already exists, and highlight perceived benefits to the other party, and quick solutions to the pains and problems of the home owner.

They do everything they can to help the home owner, making the transaction as easy and quick as possible, letting them feel like they have benefitted from the transaction. They have to win, for you to win.

Property Tip 2:

Walk away if the seller is not at least at stage one. Let the market reset their expectations, put them in your follow up pipeline, and check in later when the motivation has grown.

You also often find sellers at the 3rd stage of motivation: desperation. You'd probably need to be quite desperate to pick up a leaflet off the front door mat of your house to sell your property, and this is a big reason for the very cheapest deals to come from leafleting and D2V strategies.

But don't get us wrong. There are certain skills that are essential in attaining long term wealth and success in property, especially when talking to a home owner.

This is the part where you make most of your money in property investing, and the biggest 'chunks' of cash too.

But a word of warning: Gazumping, ripping the home owner off, lying, pulling out of deals at the 11th hour, reducing your price at the 11th hour [gazundering], one upmanship, conning, cheating, bullying or a big ego tripping and power are sure fire ways of ruining your property investing career.

We've seen it happen, we've even worked for people just like this in the past. It's not pretty and it doesn't work. You might get a biceps flexing short term power victory, but you'll create so much long term collateral damage that you won't be in the game long enough to take all the money.

If the seller feels pressure or thinks you've railroaded them with NLP and hypnosis, you'll get a phone call a day later from the home owner or message from the agent giving you excuses as to why they won't sell to you. Even if your price was the highest.

Buyer's remorse almost always happens, and sometimes, right at the death when you've paid all your valuation fees.

"You are not in the property business, but in the people's business"

Helping home owner. Solving their problems. Listening. Finding out what is most important to them and giving it to them. Being flexible with multiple solutions. Genuinely caring about them and doing the right thing in their best interests, even if it doesn't benefit you [directly].

Creating win-win deals for the seller and yourself. The good news is anyone can do these, they are easy and they build the best relationships with the least resistance.

Sound hocus pocus?

Well if a home owner doesn't thank you for buying their property, helping them out of pain and debt [despite the low price], then something has gone wrong. You solved their pain [money wasn't the biggest one], you helped them, you did things they couldn't do, sometimes you even save them. They'll thank you, and you won't know why.

That's when you know you've got it spot on.

There's no shortage of great BMV deals available, and some investors are making a killing right now. They exist, in your area, and are there for the taking... It's just that, at the moment, the best deals are going to your competition,

If YOU would like to know which strategies work, that YOU can use right now, so YOU get those juicy discount leads FIRST...

So sellers come running to you with great deals... Then you need to attend this event.

"I wanted to take the time to thank Progressive Property for the assistance in the sale and purchase of my parent's home.

In particular I have to commend you for your support from day one. From start to finish you were always there ready to let me know how things were going, and in an amazing 4 weeks my folks were able to move down South. Not only that but you made them feel so at ease and that was really important for an elderly couple in their eighties as there are so many scams around.

But also because it was due to health issues that we needed a quick sale to get them safely closer to me. Without you and this company they would still be on an Estate Agency property list waiting for potential buyers to come along. You took all that pressure away and made it so much easier especially as I was dealing with everything on their behalf. So to anyone reading this review who is wondering if they should or if they shouldn't use Progressive then all I can say is GO FOR IT."

Sharon Bates – A happy seller

Auctions

Right now things are hotting up...It's not a theory. It's a fact.

Auction houses are booming. And you need to be aware that you can get the very best property deals from under the nose of the elite professionals.

The UK property market is officially springing back to momentum

Values are rising – yet many investors have yet to cotton on.

Over the coming months this is going to be big. Very big.
In fact, it could transform your property investing landscape when finding property deals.

Would you like to buy auction bargains with massive uplift potential and higher than average cash return on your or other people's money?

> Auctions have been and continue to be the serious investors' playground.

But you see, sometimes you go to the auction house and the stock is low, the prices are high, and the quality of properties are poor.

Sometimes it's too busy and too popular, and everything is going over asking price.

Sometimes, like right now, many opportunities are missed, but with the right strategy and knowledge, you can get genuine property bargains.

How?

Identifying 'off the radar' property deals.

Put simply: knowing when a property in your local area is being listed in an auction in another town or city.

The locals won't be interested. People in your area won't know about it. Or won't travel if they do know about it.

This in itself will create vast fortunes. Your VERY own summer blockbuster.

Are you with me?

But a word of caution. Auctions can be VERY risky. So here are a few of our tips of what You should consider before buying from a property auction:

Having your Finance in order – Never bid on a property unless You are certain you can get a mortgage & can complete the deal within 15-28 days...

As soon as the hammer falls, you have bought the building & will be expected to pay 10pc immediately.

Setting a maximum price - You should have a firm idea before you enter the auction room of exactly how much you can afford to spend. Just because other bidders are pushing the price higher, it doesn't mean the property is necessarily worth that amount.

Do your homework

Factor in other costs – As well as mortgage and survey costs, don't forget to factor in legal's costs: renovation and refurbishments costs, interest payments for your JV partner/bridging funds and any buyers fee which might be payable at the auction house. (Some auctions houses have a 5% buyers fee which could put a dent in your profits!)

Remember stamp duty on properties over a certain threshold.

Following up - if the property you are bidding on fails to meet its reserve price then it's perfectly acceptable to approach the owner or agent direct and make an offer.

Contrarian right?

Subscribing to an *Essential* website – This site lists all the properties in all the auctions across the UK.

We have subscribed for almost 10 years, and you get advanced notice of auctions, and a lot of very important price history and data.

It really is essential information for any serious property investor!

But here's the thing: if you jump right in without a plan to find your next or first 'property deal', it's a recipe for disaster.

And to make the **BIG money** in auctions, you've got to be **AHEAD of the crowds.**

"Just want to say thank you for the training, ongoing support and straightforward delivery. I'm now on property 6 with average rental yield 8%. Currently holding and learning everyday.

We have one JV and I attended one of your brilliant webinars on auctions recently.

This happened because I attended your course, got infected by your enthusiasm and was able to apply your straightforward methods"

Tracey Martin

Funding the Deals

Your ability to obtain credit, deposits, cash, bridging finance or JV partner funds is paramount to the exponential growth of your property portfolio.

Before we even start on this section always remember this: **guard your credit score with your life.** Nurture and protect it like a child. Cushion it. Wrap your arms around it and never let it go. Despite the fact that for many strategies you'll learn mortgages are soooo 2007, they're still an important part of your long term vision.

Are you with us?

Never ever miss a credit card or especially a mortgage payment, and always keep well up to date with what you owe. One missed payment can black mark your credit and hinder future lending, or put off a JV partner, and the growth of your portfolio.

Now, we don't want that do we? And we know everyone wants to put as little money down as possible into a property deal, but raising too much debt against it leaves you exposed to market movements and a lack of control of timing of sale.

And many high street lenders won't let you gear higher than 65% or 80%. They want you to have skin in the game,

But regardless of whose 'skin' is in the game [your money, a JV partners funding], let's talk about some sexy ways to finance your property purchase, shall we?

The Progressive Property **A.B.C.D.E.F** Finance Model is the new age investing climate, the B. in the Progressive finance model; B.anks, are just one of 6 main ways smart savvy property investors are financing properties. In fact, the B. anks are becoming less relevant and other, more personal sources are filling the void left by the banks after the crash of 07/08, but it's still one of the main ways to finance deals.

B.anks: [Controlled] leverage: no one ever set up a big business or portfolio without leverage.

The richer the investors are, the less of their own money they often use – life's so unfair, right ;-) If you were to try and build a property portfolio with your own money, buying cash, it would take you 3 lifetimes to match what many professional investors have done in 3 to 5 years.

Most people could never buy a house unless they leveraged and borrowed money.

There can be great leverage in borrowing money to create something that could potentially generate a lifetime of income far beyond the repayments. Just don't stretch it too far.

Here are some important factors in finance and leverage:

Line up a credit line: whether you use it or not, having access to credit can mean a deal that needs to be bought quickly will not slip through your fingers and into the hands of the competition.

Keeping your credit file clean [and knowing how to], having access to credit and other vehicles to borrow means when that opportune moment arrives, you're ready.

"Don't get ready, be ready

This credit can be with a bank or with a private investor or JV partner, or credit cards empty but ready.

This is not to say that you spend money you don't have – just have access to as much finance as you can. You never know when you might need funds for a short term refurb, or a quick cash buy that you can flip. When you use some of the other strategies in this section, before you know it you could have access to six or seven figures, waiting and ready for when the deals come your way.

But you'll need a good broker: forget high street banks, forget standard high street 'sausage machine' brokers; get a specialist who is fast, efficient, knows how to make things fit to get you a mortgage, and has property specific knowledge and experience.

A property specific broker will know how to 'position' you to the lender, they'll know the best products for your strategy, they will learn from other big investors for whom they broker, and they'll work with you as much as they will with the lender.

We have some great brokers in the Progressive community – independent but aligned with the members. Feel free to contact us to get in touch with someone who can help you raise capital to start investing or mortgage finance to build your portfolio.

Don't just use mortgages: mortgages aren't quite relics yet, but they are not the free flowing, done deal that they used to be. Banging your head against a mortgage brick wall, applying and re applying for loans you'll never get, does nothing other than marginally tarnish your credit score.

So you need other vehicles to raise OPM, or you'll forever be stuck where you're at right now. And it doesn't matter if you are a one man band or Mr. Trump, you'll always want and need more OPM for the next deal. There's a saying in the property world:

"It doesn't matter how rich you are, you always run out of money"

Keep putting in your cash to buy properties, you'll run out one day, even if you are a favoured relation of Warren Buffett

JV. partners: anyone who can fund your deal, or partner with you by offering other value propositions such as contacts and complimentary skillsets, can act as a 'leverage partner' in your property business.

There are two main types of JV partner: Sophisticated and Non-Sophisticated.

The Sophisticated Investor is a professional, investing and lending for a living, and the Non-Sophisticated is a non professional individual. Horses for courses and swings and roundabouts, hey?

The Sophisticated Investor:

1. **V.enture** Capitalists [super heavy weight]
2. **A.ngels** [heavy weight]
3. **P.rivate** investors [super middleweight]

These investors are the pros. They do it for a living. You don't need to teach or persuade them to lend their money, you'd be stuffing eggs in their mouths. The money flows. 7 figures, 8 figures, if the deal is good, the money is too.

You don't need to persuade them to lend or invest, you need to persuade them on you and the deal. But you'll pay for it. They'll demand more returns and more controlthan a Non-Sophisticated.

But you'll learn from them. You'll get great contacts from them. They'll leave you to it [while it is going well]. They'll want to give you more and more [while it is going well].

But if and when it goes wrong, they'll apply more pressure than a Non-Sophisticated.

You'll feel like you've borrowed from a bank. They'll have some nice tight security, and you won't mess them about.

The Non-Sophisticated Investor:

1. ***F.amily***
2. ***F.riends***
3. ***S.olo-Preneurs***
4. ***B.iz Opp Seekers***

These investors are not professional lenders or partners. They may never have done it before. They need persuading on investing first, you need to take a step back.

Sometimes they've been brought up to save, work hard, pay off their mortgage and retire – the exact opposite of leverage.

But, everybody with money has the same problem right now: they can't get a return in the bank, stocks are volatile, government backed investments aren't as secure as they used to be and people have lost faith.

They're motivated. They need to do something with their money, they're losing on it right now and they just need to work with someone they trust.

They need help.

They'll be a little more worried about where their money goes, they'll want more regular communication and they'll feel the ride of the rollercoaster. But you'll get more flexible terms, they'll be more forgiving to market changes, and if things go wrong [which they always do], you can talk to a real person and you can come up with solutions.

They'll probably expect a little less return [bank beating 5% might be good enough] and you'll make a bigger difference to their life when you make a bit of money together.

Bridging Loans: a bridging loan does exactly what it says – a 'short term' loan [one hour to one year] to fund deals fast, cash purchases and give you the 'bridge' to owning a property portfolio.

This is very advantageous if the property you are looking to buy isn't mortgagable for any number of reasons.

A bridging loan will be worked out on an individual deal. Forget credit and income checks. Forget the computer ‘says no’. Forget jumping through hoops like banks will make you.

The only concern for the lender is does the deal make financial sense to them? Is there a credible exit plan in place? The better the deal, the better the terms of the loan you will get. The more security you can offer, the better the terms. Like any finance raising strategy, you need to be careful not to over-borrow and put yourself at risk, and there are some thirsty bridgers out there!

Many bridgers fall into the category of ‘Private investors.’ But another great tip for investors is, you can borrow 100% plus.

How?

Most investors don’t think this is possible. But armed with the right knowledge, this is a perfectly legal way to buy a property along with the refurbishment costs and legal fees.

If bridging funds are being used, the typical LTV ratio will be around 70% of the purchase price if the loan is being secured on the investment property.

Typically a £100k purchase would require the investor to bring £30k to the table along with legal fees, and renovation costs. Taking £2k for costs, £20k for a refurb, would require the investor to bring £52k to the table.

Now compare this to funds being secured against an unencumbered property with a value of £200k - the bridging lender can lend up to £140k! So in this instance, the full £122k can be borrowed up to the point the property is either refinanced or sold.

This is a great solution for many investors who are equity rich, but cash poor, but investors need to be aware of the importance of having a solid exit strategy and a plan B, as this type of finance is less forgiving than a traditional buy to let lender.

Feel free to contact us to get in touch with someone who can help you raise capital to start investing or bridging finance to build your portfolio.

Filling the Property

Tenant selection can be a minefield. Voids can be a killer. Eviction can be a nightmare. Perhaps that's why amateurs and part-timers don't like renting out properties?

Perhaps one of the most common fears in property investment is the prospect of having properties vacant and not being able to rent them out, thus being stuck with mortgage payments on properties.

This is a sensible concern, as void periods consume the profits.

We've been studying what types of property rent out the fastest, the longest andwith the least amount of hassle for many years now.

One of the biggest reasons for loving [and making money from] the 'lower' end existing [not new] property market, as opposed to new build, overseas and off plan, and high end tenant, is 'rentability.'

For single lets, target the mid to low end or the market: There is an optimum price point for rentals, and it will vary from area to area. Our optimum price point for rentals is £65,000 - £120,000; specifically studio, 1 & 2 bed flats and 2 & 3 bed houses in 6 very focused ‘area within area’ Goldmine areas. These areas are ‘not best not worst’ areas which are affordable to the masses.

When you find these areas local to you, with everything you’ve learned in this book, you’ll notice that void periods dramatically reduce to 8 days a year [or less], times to find tenants significantly reduces, duration of tenants staying will increase and the ‘pain in the backside’ factor will evaporate. We’re currently renting out many of our properties within a day after completion, and even have a waiting list on many and our tenants tend to stay for long periods of time.

And the types of tenants and areas that work weren’t necessarily the ones we initially would have chosen or assumed.

Letting yourself vs. Letting Agent: when it comes to letting out your properties, for single let’s, it is very counterproductive. It will cause you hassle, grief, pain, multiple hernias and coronaries: all to save 10-15% per property. In the long run it will end up costing you way more; in money and time.

You may like the control of letting and managing yourself [if you have 37 hours in a day to manage it], and you may feel that Letting Agents get a bit heavy on maintenance costs. These can be controlled.

It is definitely NOT an IGA (Income Generating Activity) task to manage yourself. You didn’t get into this business to manage tenants, and you don’t know anywhere near as much about is as a [good] professional Letting Agent.

Not everyone will agree with this, and that is fine. Some people have been Landlords a long time, and know what they are doing, and have learned to systemise the tasks.

It is very difficult without a lot of experience and can tarnish your enjoyment of the investment process.

It also goes against all the concepts of leverage.

And most Landlords who I know who manage their own properties are not rich in time or money.

For those who want, and are still not convinced or are having doubts, read the following mini-section on using a Letting Agent vs DIY. You will be glad you did!

Letting agents offer two levels of service: a 'let only' service a 'full management service'.

Let only: this level of service requires the agent to carry out the following basic steps:

Basic Steps

1. Produce lettings particulars of the Landlord's property for marketing purposes – This will involve the agent providing a rental assessment which gives the Landlord an idea of the rental value which can be achieved in the 'area within the area' of your chosen investment property.

2. Marketing the property – The agent will advertise the lettings particulars on the company's website, with accredited letting sites such as Rightmove. They will also include your property in the weekly local newspaper.

3. Viewings – The agent will take the prospective tenants on viewings to your property

4. Referencing – The agent will carry out the referencing process of the prospective tenants, and provide the landlord with their assessment so the landlord can then make an informed decision.

5. Tenancy agreement – The agent will determine the type of agreement, which will usually be an up to date Assured Shorthold Tenancy Agreement [AST].

6. Deposits – The agent will take the first rental and deposit payment and pay it over to the account which is nominated by the landlord.

7. Check in & handover – The agent will carry out the necessary 'check in' and 'handover' of the Landlord's property to the tenant.

8. Inventory – Although the agent may charge a little extra, they can prepare an inventory for the landlord.

Full Management: the other option is on a full management basis, this is for landlords who do not like dealing with tenant issues and don't want contact with the tenant.

If this rings true for you, it will be a good idea to employ Letting Agents who are worth their weight in gold.

Filtering: a good letting agent will filter out some of the poorer quality letting applicants. This is a good process as it means the more financially risky tenants, some on benefits, or ones with a bad history, are less likely to come through to the agent.

It is important to note, some agents are specialists in benefit tenants [LHA], and many are NOT. It's your responsibility to find out which.

Cost comparison & opportunity cost: traditionally Letting Agents charge in two ways: a fee relating to a multiple of the weekly rent, two weeks + VAT is typical or a percentage of the rent due of the tenancy contact, typically between 8% and 12%
+ VAT.

This figure is reasonable and only equates to between £30 and £100 per property per month, depending on the value.

One hour of your time is worth more than that.

A number of Letting Agents are also charging on a fixed fee for their service, and can be attractive to a Landlord who has a higher value let, as it can equate to less than 10%.

Most Letting Agents would prefer landlords to use the full management service, as the agent will make a lot more money and get a regular income for doing very little, once all is set up.

That's good, because you also want to do very little.

Cost of DIY: to explore the cost element of managing the let yourself, it is important to compare both assessments like for like, with opportunity cost of time factored in:

Cost comparison between a Letting Agent vs. DIY Landlord

Advertising	Letting Agent	DIY Landlord
Newspaper (4 ads)	INC	£200
To Let Board	INC	£40
Internet add	INC	£30
Notice Board	INC	FREE
Viewings -5 hrs @ £15p/h	INC	£75
Admin – 5hrs @ £15p/h	INC	£75
Cash Cost	**£480***	**£270**
Cash & Time Cost	**£480***	**£420**

**Please note the above figures are based on rent at £675 pcm and standard let only fee of 10% on a 6 month rent.*

As can be demonstrated Landlords can only make a marginal saving on DIY lets in real cash terms. If the rent were higher, the Letting Agent's fees would increase, but nowhere on here is time factored in for not knowing how to find a tenant/the right tenant in the first place, all the form filling, for visiting the tenant, gas safety checks, cleaning, repairs, renewals, your time and travel costs, phone calls, cost of one bad tenant not properly vetted, eviction time and cost of mistakes.

Tax: Letting Agent's fees are all off-settable against the profits of your property business. That £480 per month can offset £480 net cashflow you bring in. You can show an actual profit but a tax loss, paying little to no tax on your property income.

Sanity: then there's your happiness and calm :-)

Opportunity cost: And then there's the 3-5 hours per month [or more] per tenant time that you can put back into your property business buying deals and generating more cashflow.

Finding a good Letting Agent then, they are worth their weight in gold. It might take a while and you may have to get through a few, kissing a few Frogs.

However the good ones are worth every penny of the 8% - 12% % they will charge you. But remember they must be good, because you'll be watching over them watching over your properties. It is a good idea to note the following:

Always make sure that your agents are working in your best interests. Check them out. Ask to see details of how they advertise and how [and where] they present the properties that they rent out for you.

What papers do they advertise in and how big is the space? How does their website look [do they have one?] and how often is it updated? Compare them with other agents in the area too.

Test: Your job has only just started once you have decided on an agent, because for your next 3 properties you'll want to use 3 different Letting Agents and test them against each other.

The reality is you'll only know the reality when you have had them with an agent for 6 months to a year.

Hunt out other investors locally: which Letting Agents do the top dog investors use?

Chances are they've gone through the testing process.

Competition: we like our agents to know, in a subtle way, that they are competing with other agents. It keeps them fresh and doing their job. They stay proactive because they want the business and they don't want to lose out to a competitor.

When they get complacent their work standards will drop. This is something that we have experienced firsthand. They might be a ball of energy to get you, but how do they keep you? If they think they have a monopoly on your business and you get too friendly, things can very quickly go south.

Random spot checks: get your letting agent to list their charges, including finding tenants. Check how many times they do an inspection and ask tenants if they have seen the agents when they last came round. Make sure you keep your eye on them, as some have been known to make large amounts of money out of Landlords and tenants by not doing the services they list, or hiking up the charges.

Rent expectations: Often most agents will give you a figure of what they think they can achieve for rent, and then a few weeks' voids later and you're accepting £50 less. We very often take rental figures with a pinch of salt until we have seen figures and tested them ourselves.

In some instances we have had to take £50-£100 off what they say they can get, especially when we were new to them, as they were selling themselves to us.

It is up to you to set the expectations. If you set the expectation of what you want to achieve, then challenge them to get it [with a view that you will not accept lower], then you may achieve more rent.

It can be done, but you must be realistic and aware of how they play their game. You are trying to set the expectations for any future dealings, and keep them aware that they're competing for your business.

Increasing rents: your cash flow relies on steady incremental increases in the rent.Good Letting Agents also know this, and want to keep your business, and will do this gradually to keep the tenant happy [better than finding out that the rent has doubled because it has not gone up for 10 years!]. Poor agents may be afraid to ask or not be organised enough to notice it is needed.

Vet your Letting Agents vetting your tenants: always make sure your Letting Agent does a proper credit check on your potential tenant. Any financial grief further down the road will be hugely reduced. Even if you are 'desperate' for a tenant, don't cut corners here. A bad tenant can really upset your investments so selecting a good one is vital.

Always take a deposit: never let a tenant into your property without as big a deposit as you can get. It should be at least one month's rent. The more you can get the less likely your tenant is to trash your place and nick your radiators.

Always have a contract: this seems so obvious, but isn't always to some investors.

An AST agreement should be a pre-requisite for a Letting Agent, but you should make sure. It is advisable to get your solicitor to look over one the first time you use an agent.

Make sure you get your monthly statements: you need to keep a close eye on what is going on. We have had months where our rent has not been paid in. The only way to keep a check is to receive [and read] your monthly statements. It will ensure that your agent knows you are keeping an eye on them and you won't miss anything.

Remember that one missed rental payment to you could cause a missed mortgage payment. That could cause a black mark against your credit and hinder further borrowing.

And remember this: your credit score is your holy grail. It is your little golden cup.

Guard it with your life.

Systems: do they have a procedure for everything they do? Are they making sure the gas safety checks are done every year? There is a lot of paperwork around finding and housing tenants. The more disorganised a Letting Agent is, the less they will get done, and the more problems you will ultimately have. Look for those who systemise and log their procedures, use dedicated Landlord software, have tidy organised offices and are attentive to detail.

Changeover: letting is not just about getting a tenant in your property. Make sure you know in advance that everything is done properly when a tenant may leave.

Don't let the agent release the tenant's deposit until you have inspected the property yourself, at least every few properties, randomly, so they know you are watching them. So often have we seen properties not left in the right state afterwards – go round yourself and stand firm on the costs to clean and return the property to the standard that it was when they moved in. You are managing the behaviour of the tenant and the agent. Video inventories are great for this, and now should be standard practice.

Be proactive and friendly: this goes for you and the Letting Agent. The more proactive you both are, the more you will get done in the shortest possible timeframe. The more your agent looks after your tenant, is likeable, quick and efficient, the more likely they are to both stay and pay your rent on time, every time and treat your place like their own. Despite many myths about tenants, they're human just like us, and respond well to being treated well!

Remember your role in all of this. There is a chain that goes from you to your agent to your tenant. If you bully or complain too often [or even if you are too lenient] then life will be more difficult for you than it should be.

An opportunity: Letting Agents can also be a good source of deals. Make sure you let them know what you want and how you work and open some potential doors for referrals. Try to incentivise them to do this. If it is their own business they could invoice you for a finder's fee. This incentivises them and makes them come to you rather than anyone else.

Always pay them on exchange immediately. It will only make them more likely to do it again for you. It is amazing what money does to people's passion and productivity!

Maintenance: This usually adds up to around £200 per property per year for a flat, and £300 per property per year for a house. We have got this down considerably over the years and have good economies of scale. It could be more [or less] when you start out].Call this 0.4% to be clear

Get 3 refurb quotes: it is important to get different quotes, as the difference in prices can be huge. Mark got quoted £800 and £7,500 by two Architects for a small piece of planning work, for the same job!

Mark got quoted £800 and £7,500 by two Architects for a small piece of planning work!

You see, in trades where the trades' people hold the knowledge and skills, it is quite easy for them to pull the wool over your eyes.

Boiler quotes are the best example of that. Most of the time you will get told you need a whole new boiler system that will cost you £3,000 when perhaps it is just the ignition that needs fixing. Boiler costs can vary by 100%. Refurb costs can too.

Scrutinise and itemise every cost, take out everything that is not necessary, and then drive the price down again. People need your business right now, and you're probably having to do the same for your clients in your business or job.

Be cautious and question all costs. Be strategic and tough with this, demand the highest possible standard at the lowest possible cost.

The compounded effect of saving 10% on all your costs is likely to be thousands a year, and hundreds of thousands, even millions, in your life.

Who is Mark Homer?

Mark Homer became a financially free multi-millionaire businessman investor by the time he was in his early 30's. He has built a portfolio of companies and almost 300 properties in his extended partner property portfolio.

In this unique book he shows you in his renowned analytical, detailed and controversially skeptical nature how you can realistically achieve the low cost high life for the long term, in the shortest possible timeframe.

Mark will show you in a direct, disdainfully dismissive of scams and schemes manner how to live an affordable life of luxury which is sustainable for the long term and not just riding the crest of a property boom.

And we do not say this to impress you, it might sound like we are blowing smoke up our own...but we feel it is very important to learn from people who have experience.

This means good and bad experience, and if you scroll through our blog you will find some of the Kippers that Mark bought in the early days.

Mark made his mistakes and paid his entrance Fee [something we ALL have to do].

What is also so important is that Mark has a true passion for investing. Just the talk of investing money, finding deals with the potential to yield greater returns, and building an asset base that can fund a fast and exciting lifestyle, turns him on big time! [Sad? Perhaps! Imagine his conversations down the Pub.

Please try not to hold it against him!]

That being said, this book presents in relentless detail:

Marks Book - Low Cost High Life

How to use 'silent compounding,' to turn small daily savings anyone can make, into large chunks of lifetime cash

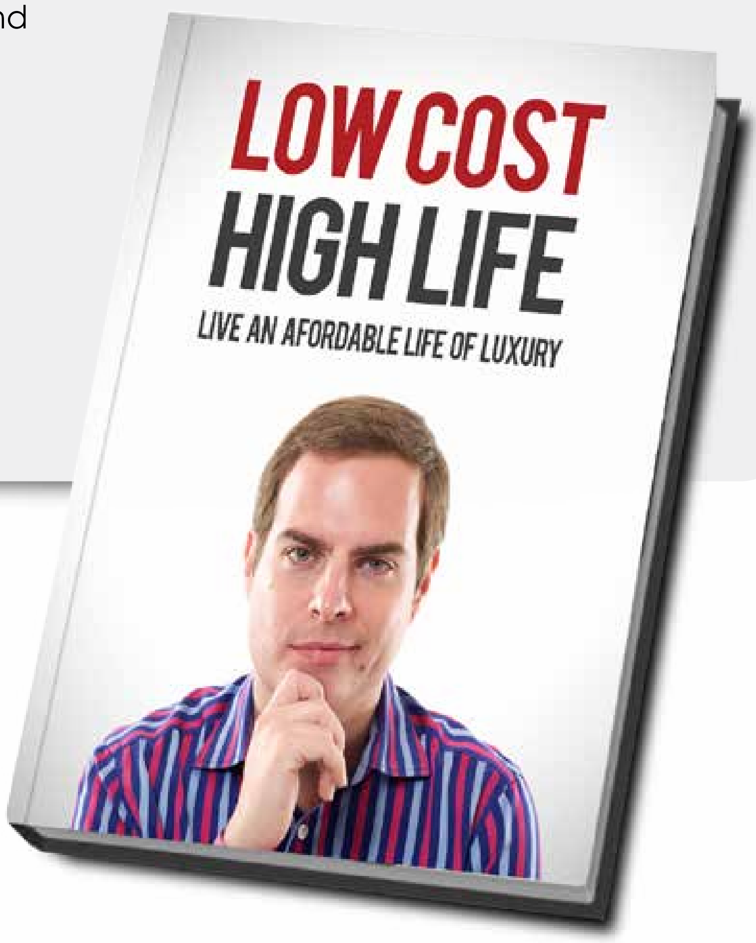
How to keep exactly the same lifestyle you have now and 'spend invest,' your way to a minimum of £1,791,735 in 20 years or less, proven and detailed in this book

The 'Giant leap' wealth attraction strategy using everyday 'household,' items and hidden daily opportunities to make long term cash and passive recurring income

The 'Wealth mirage' technique to create and live a high opulent lifestyle on minimum daily costs and savings

How to use low/no cost fast-start tactics such as 'Gratitude Leverage,' and 'Cheek creativity,' to get others to do what you want, when you want, for the low cost high life

Irregular shock protection,' 'Liquid cash pile power,' and 'Random cash windfalls,' for the easy way to the low cost, high life affordable life of luxury



FREE Chapter 1: Staying Local

Free Chapter from "Low Cost, High Life"

Buying local, non new properties which I sourced from Estate Agents were giving me the same 'no money left in,' principle as had been first shown to me by Des. I could buy at a discount, add value through refurbishment, and remortgage up to a reasonable loan to value (LTV) percentage of the valuation price, effectively drawing back out any money I had put in without over exposing or leveraging (in the way that Chris loved).

I could still make a margin when debt and costs had been taken off, as the mortgages on the properties were significantly lower but the rents were virtually the same on similar types. It's a lot like Chris's TV purchase – the £2,500 one did virtually nothing more than the £600 one other than drop in value like a boulder. I found that you could get a ten year old (or more) three bed house that served virtually the same purpose as an off plan or new build one, yet cost sometimes half as much.

This was quite a surprise to me, because you simply don't get older existing properties marketed to you as an investment as much as the new builds by the developers and property companies, especially in this booming market. I have since learned that the best opportunities often appear hidden to the masses. I guess this is because they are not as glitzy or glamorous.

They also look to most like a lot more work in refurb and maintenance, which puts most people off. The fact that they are not new turns people off and gives them a false perception of hard graft, lower value, more costs and tenant issues. It is actually these exact concepts that make them more sound as an investment.

(NOW) Most investors want to invest into something that they are emotionally connected to. They like the 'look and feel,' (bad investment principles/language) of it and would want to live there themselves and show their friends around it. You are not the tenant, however, and you would not necessarily want or have to live where they do. You are not your target market. Because renting out the properties fast and for long periods is as important as buying them well, you should always buy with the tenant in mind and where they would want to live, rather than you. Remember, you are not your tenant.

New build properties are like buying a new Car off the forecourt, they devalue as soon as you buy them. People pay more for new properties over existing properties probably because they are unblemished and can pick their favourite carpets, curtains, cooker, worktop and tiles, and people assume that there will be less maintenance issues. The reality is that in new properties you get new, lower quality boilers that go wrong very quickly, and often many of the heating systems, switches, locks and so forth are of a lower grade than an older property, and thus will require maintenance call outs.

You also have snagging issues. When items are new and untarnished you pay a premium for them in tax, research and development (R&D), profit margins to the manufacturer, marketing costs and warranty, yet they are often no better than the same model or type a few years old but in the same generation and type. Over the years it has become harder for developers to make margins.

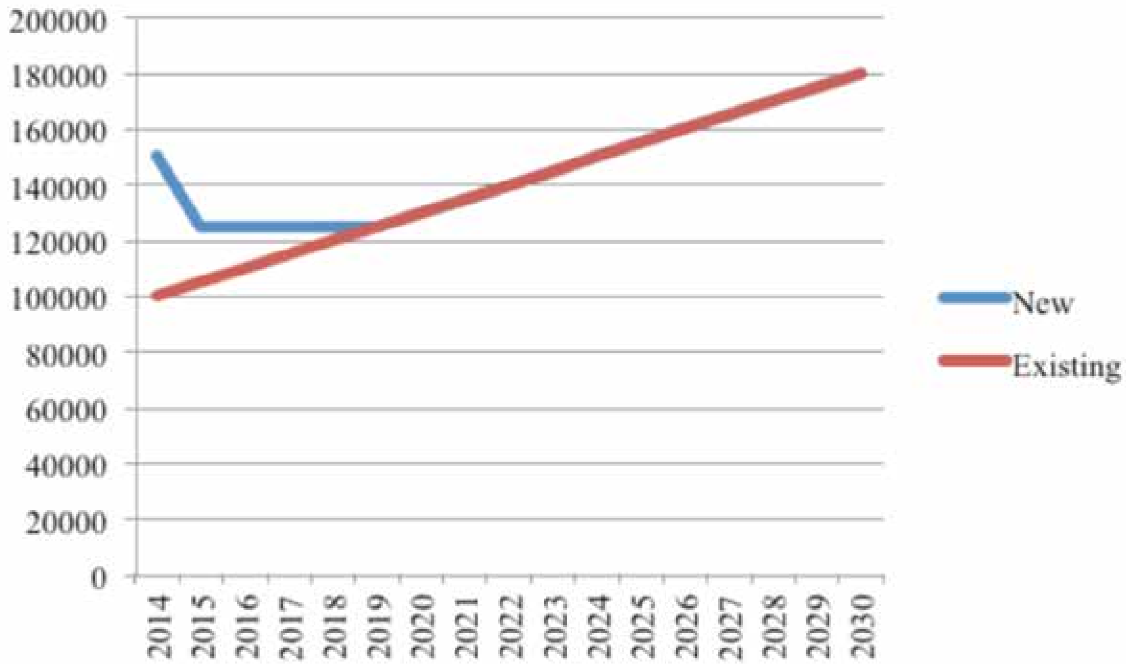
The old days of 1/3 land cost, 1/3 build cost and 1/3 profit are long gone. Land is at a serious premium, and costs of materials and labour has risen. Because of this, the quality and size of build has reduced. You'll notice much smaller rooms that can hardly fit the beds in, thin walls with little to no soundproofing, tiny gardens; all built so close together. Cars plummet once purchased then level out but continue to decrease slowly.

New properties also plummet once purchased contrary to popular belief about property, but once the rest of the market goes up they recover to what you paid for them, then start to progressively rise in value due to a long life utility (often many hundreds of years). After this initial drop their % price growth will lag, and after say 5-10 years their value will be similar to the older 70s or 80s blocks in the street.

I have drawn a graph to show you what I mean. Let's say you buy a new build at £150,000. Depending on how well you bought it, the day after you buy it will likely be worth around 10%-15% less in value, say around £125,000. The value will probably stagnate for a further period of time even if the general market is rising.

Eventually market rises will drag the value up, but only to the level of similar type/size properties in areas that were established around 15-20 years ago. In the example below, the existing property that was bought on an estate that had been built for 20 years cost £100,000. This is £50,000 cheaper than the new build was initially but after 15 years the value of the 2 properties have come together and become similar. The new build in the new area is now 20 years old and is valued along the same lines as other 20 year old properties. Why would you buy the new build if it is an investment?

I became fascinated by Car valuation/depreciation when trading cars and importing them from Ireland. My research had shown me that the majority of car depreciation happened in years 1 and 2. For example a new BMW M3 I had



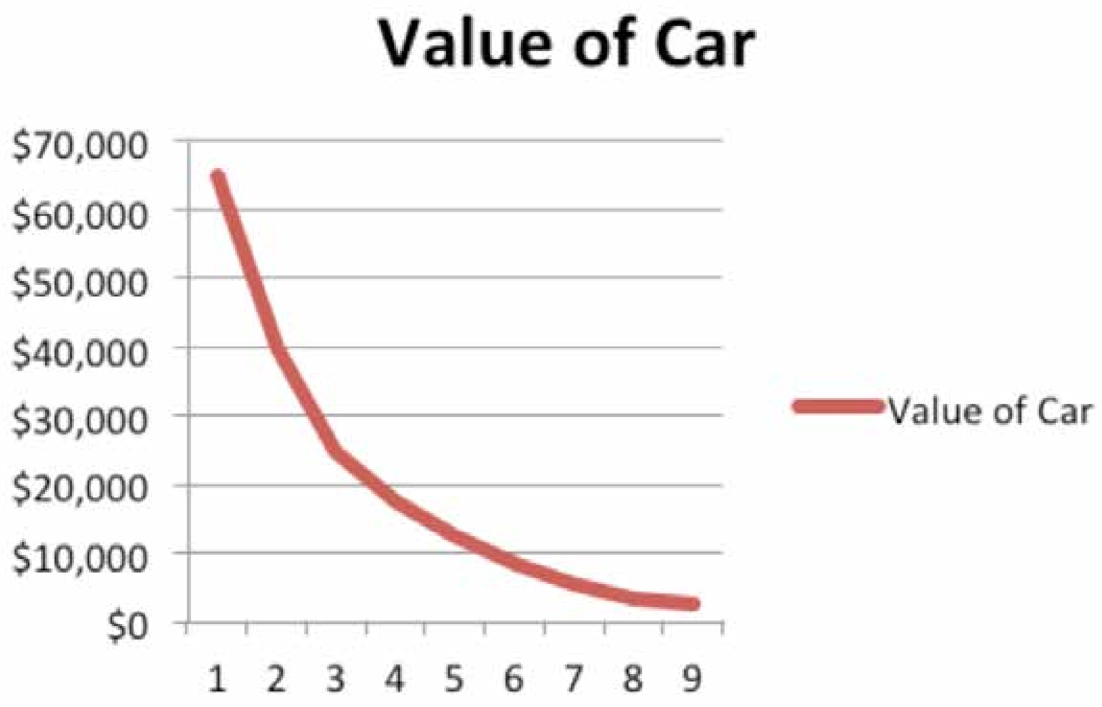
in the 2011 was £65K new and became worth £40K within 12 months(!) Looking at it more closely, it was probably worth £50K the day after it left the forecourt. Virtually all 'new assets,' are worth considerably less as soon as purchased.

Watches are the same, properties, computers, most Art, virtually everything. I found the 3 year old sweet spot in cars, where you got the maximum benefit of depreciation, but could still get a modern car of the same generation/type. You could get away with small yearly drops in value that wouldn't hurt your pocket after the first 3 years, but still have a great car that didn't cost too much to maintain.

Property is similar, except one very powerful point: the general market in the background is often going up, pushing prices of neighbouring properties higher. Over a long enough period of time this means that no matter how much above the market you paid for your new build, it will inevitably/eventually start to go up in value.

A simple graph below illustrates this point, you can see that just after year 3 on the X axis the curve gets a lot more shallow, meaning less depreciation for you if you buy at this point.

Between mid '06 and '07, I had bought a lot of existing houses, many on similar streets and in local suburbs. I had done a deal with Rob that we would go 50-50 on the deals; everything we bought was for the both of us. I would do all the buying and managing the investments, and put any necessary cash or expertise of 'no money down,' or 'none of our own money down,' in, and Rob would mentor me through his life coaching practice and take on future



responsibilities in business together, that I'll share with you later.

Rob also got me into running and exercise; we'd go out running around the new Hampton Estates at 6AM for one hour, and it raised my well-being and productivity levels to another stratosphere.

(NOW) Productivity is very closely linked to energy, motivation and well-being. I never saw it in my former years, but drinking lots and general lethargy must have robbed me of 100's or 1,000's of hours of productive work. Rob came along and had black belts in martial arts, would run and go to the gym everyday, and once we started running together I learned where he got all his results-based energy from. Although this is not a health or personal development book, I must highly recommend exercise in your pursuit of wealth and business success.

In fact, Will Smith, one of the most successful people on the planet, in more than one industry, with his super-success sperm that even gave his children success-star quality, says that his two secrets to success are 'running and reading.' I recommend you watch some of his inspirational videos.

Another valuable lesson at this point is in partnering or JV'ing (Joint Venturing). Rob and I are very different, and I can cite this as the main reason we are still in partnership nearly a decade later with successful enterprises We didn't really know the benefit of our differences when we started, but it is something we have carried forward and recommend to the tens of thousands of people we train at Progressive. People want to go into business with people like them, because we all relate to people with common interests, and this is often the worse thing you can do in business.

If two of you in business do the same thing, one isn't needed. You'll both do the same things, getting in each others' way, and other important things that need doing that neither of you like/can do, will not get done. In addition, when you cut a 50-50 deal, many of the niggles, doubts and voices disappear, especially when brining opposing yet complimentary skill sets.

In the early Progressive days I had the chance to buy properties with other partners, and Rob had the chance to continue to grow his Life Coaching business, but we agreed to either drop these avenues or cut each other in 50-50. To this day this is the best deal we have done and it means I no longer have to question all those things I used to when getting into deals and business with others.

A picture recently of me in the Swiss Alps near Crans Montana.

FREE Chapter 2: Real Value

Free Chapter from "Low Cost, High Life"

The great benefit of buying older existing properties is that you can (much more accurately) ascertain the real value. You can drive around the areas and find common stock, you can speak to Agents to get exact and recent sold prices, and you can trawl Land Registry for the history of sales on the same street; something totally impossible with new, overseas or off plan properties, because nothing else had been built like it.

There are/were no comparables. I much preferred having a more proven and accurate valuation model, and felt like any equity was real as opposed to 'paper.'

You can go and could learn the local rental market quite quickly, as anyone can, and certainly light years quicker than one on the other side of the planet. It didn't take long to learn which streets were good investments and which streets were bad, and I could funnel all my investments (by this time over 20 properties) though one Letting Agent who had been tested against others locally.

Using one Letting Agent, one refurb team, one plumber, one electrician and so on creates efficiencies that save valuable time and money. I can quickly influence the return on my investments through cost savings, local management knowledge, accurate price perception. This is impossible when you are too far away because there are way too many variables and management is totally out of your control.

(NOW) Property management, although boring for many dreamy investors, is where much of the money is made or lost. The buying is the (relatively) easy part. Management is probably the most important part of owning a property, and the work or results only really coming once management kicks in, not by celebrating your huge discounts then lighting your Cigar.
If rent does not come in frequently, timely and continually, you will be covering the mortgage with your salary or worse, credit, and the profit will be negative. Tenant selection is vital; get this wrong and you'll have months of no rental payments, court proceedings and huge refurbs every 2-3 years; all of which turns your profit into a net loss. Maintenance costs need to be controlled by you or your managers, or contractors will happily go and spend all your money on things of no capital value whatsoever. The closer your assets are to you, the more you or managers can keep control of this, and have your net profit flowing in each month.

FREE Chapter 3: Low Cost High Life Rules

Free Chapter from "Low Cost, High Life"

By the time I'd hit the wrong side of 30, Rob and I had broken through 200 property investments and I'd had experience in investing in property, stocks, bonds, art, watches, wine (though non seriously), staff assets, cars (limiting depreciation) and building businesses. This represents my biggest life's passion, and along the way travelling up and down the coal-face

I've learned many lessons, most of which through making small, low cost baby-step mistakes (and a few giant ones). Property has evolved to become my investment of choice and focus because it has given me the best returns and I've been able to learn leverage techniques that give it incomparable ROI figures.

That is not to say that I have stopped all other investments, as that is not smart in creating a future-proofed investment portfolio. How to build wealth, how to grow wealth and how to keep wealth all require different strategies and asset classes, and your strategy will stay fluid as it grows. Here are the rules I've followed and now live by that when implemented can make you wealthy for the long term and give you the low cost high life:

<u>1.Rules:</u>

Many people hate rules. I certainly like breaking harmless and irrelevant rules imposed upon me, and have a bit of 'I'll go and do the exact opposite of what you just said,' about me, much to Gemma's dismay (my partner). However when it comes to investing, rules are what create wealth. You simply must create/model rules that are proven to work, and then stay patient and disciplined to follow them for the long term, with faith along the way when you don't see instant results. The great benefit of rules is that it makes decisions relatively easy, emotionless (or at least emotion proof) and predictable.

It also keeps costs to a minimum because mistakes cost money, and gives you the shortest route to the highest life. It sounds easy in practice, but the reality is that many people don't have the personality, belief or mentality to stick to rules. Creative types need to control their desire to do something new too frequently, and those who get bored easily should understand that if your systems and strategies get boring they're probably working! Simply stick to well tested rules and let compounding, leverage and long term-ism kick in and do all the work for you.

2.Dicipline:

All humans are ruled by emotion, except me (according to Rob). Success in investing is about tempering your 'instant quick fix,' emotion. If you eat too much food because your eyes get too big, you suffer the consequences. If you react angrily to a situation, you almost always wish you had reacted differently when you have calmed down. Investing is the same; it is about masterful control and awareness of your emotions, and kicking in logic at the point of weakness. One of the worst emotions that holds most people back from a high life of wealth is the 'retail therapy,' emotion.

This must be controlled and mastered. I am not just talking to the ladies here, either. Attaching emotion to buying depreciating non-assets will ensure a high cost low life.

I've never had this disease, but I had a somewhat eccentric upbringing. My business partner Rob loves to spend money on watches and cars and designer products; and impressively I have seen him go from a lot of debt that it got him in, to becoming very wealthy in a short space of time. He used one technique that mastered his spending of money, and I will share that with you later. I actually have the opposite emotion, I enjoy not spending money on non-assets.

If you have retail-therapy-iris, perhaps you can attach the same emotion to saving or not spending the money in that moment in time, and imagine how much that saving will compound over 30 years and how much income that saving will give you passively from the asset it buys. Another emotion based money drain is holidays. For sure everyone needs to relax and recover in their marathon-not-sprint business life, but dropping £5,000 on credit (debt) to go a cheesy resort to run away from problems for a week, only to have the non-perfect holiday and then have to spend 3 years paying it off once you're back in the UK is financial suicide.

Some short term delayed gratification is in order so that you don't have the long term regret. I will give you some strategies to get the lowest cost, highest benefit holidays later in the book.

Control the emotion of following the herd and believing the mass media. Your emotion will want to run with the tidal wave, but it is nearly always the worst thing to do. Let your logic kick in, reflect on history and what you know to be fact, and focus on that. Control the emotion of what non-specialists and novices impose upon you.

Others' opinions when imposed with conviction can falsely influence your thinking, because in life those who shout the loudest usually win the argument. Remember they are not you, they don't have your knowledge, experience or motives, and they are reacting in an out of control manner to their own emotions. Control the emotion of how the naysayers affect you. They don't have your aligned values or motives, often reacting to an inadequacy in themselves. Stay away from forums or pity party unions. Control the emotion of fear. Control the emotion of doubt of your convictions. Control your emotions of (over caffeinated) excitement.

A way to do this is to take time out in your day to simply think. Evaluate in isolation your options, away from the influence of media and ulterior motives. The right answer usually comes to you. Of course when you are new or moving to the next level, you may not know the right, clear and obvious answers. It is vital to have mentors who are experts in different specialist areas; business, finance, life management, HR, property, fitness and so on. Surround yourself with those who are at a higher level than you in their specialist field, and the emotions will be more easily managed and the decisions clear from those who've trodden the path and made the mistakes before. Hiring a mentor is most often the lowest cost to reach the highest results. Some of mu mentors are billionaires and talking about multi-million deals or business is simple and obvious to them. Many are also in their 50's and 60's; so a good 30 years more on the ground life experience to share with me over a 2 star Michelin dinner; which seems to encourage them to be open :-)

<u>3.Income supporting:</u>

Any investment you are holding needs to be supported by income that it derives. Prior to the credit crunch, there were many investments available which were based on the value of the asset (such as property) increasing, rather than the actual income the asset would make every year. There are lots of investors in London buying properties based on the expectation that they will continue to go up in value which attract very low yields (income relative to value). Capital growth, though historical, is very unpredictable, where as income levels are more stable and guaranteed.

If I can buy a property which will generate me a net 7% income (in Peterborough), why would I want to buy a property in London that yields 2%, just because I 'think,' that it may go up 5% more than the property in Peterborough in the next year. The same is true within any asset class being used for investment purposes.

Why was I buying Jellyworks at 5p in the morning on the expectation that they would be a pound by the early evening, when there was equal chance that they could be worth zero? It's more effective to buy Philip Morris International and take their 5% plus dividend (yield/income) which has a much greater chance of being a reality. People don't look at the income and capital when making an investment, but you should. You can afford a much lower capital gain, if you have an income stream from the asset.

IN fact, you'd be protected from a zero or negative capital gain if you have an income stream: you'll always be in profit and you'll easily cover the debt so the banks/lenders should stay happy. This exact thing happened to those who survived (and thrived) in the most recent property crash. Those who bought with income as the main priority survived, because as the capital values dropped like a bomb overnight, they still had the income to cover the debt and were still making profit. Those who only had a capital strategy ended up in 30% negative equity and were handing the keys back left right and centre.

4. Capital preservation:

Capital preservation is also totally key to the investment story. You should only be investing in assets that are likely to preserve your capital, not erode it. Assets which experience wild increases in value are also likely to be putting your capital at an equally high downside risk. Capital preservation has to be consideration no.1 when deciding upon an investment because it takes so long to build it back up once it has been eroded.

One year's income often only builds 5% growth on the capital, so if capital is not preserved, it can take 15 to 20 years (based on having the same start up again capital) to build it back up, putting you decades back on your progress. Preserve capital at all costs. Have deep layers of capital reserves, and invest in assets that protect your cash from erosion and inflation. DO NOT put capital into non-assets/depreciating liabilities.

A picture of me in the Robinson R22 (and R44) we fly. Please note I am not as smarmy in the flesh as I look in this image.

5.Long term-ism & delayed gratification:

Investment returns are most powerful when they are compounded over time. Compounding is without doubt the 8th wonder of the world. You effectively get returns on returns, or interest on interest. £1,000 invested for 20 years on a 10% return (£100 income in year 1) will have grown to £6,727 in year 20, with no extra capital injected.

The effect of compounded returns means that by year 19, the income has increased to over £611 per annum on original the £1,000 capital invested. This means that spending lots of money early on in your investing career will result in a huge loss of income/capital increase later, and it gets bigger the longer it is allowed to do its magic. I will show some specific, real life examples of the power of this in a later section.

Most people get excited by spending, I get excited by investing and delaying returns because of these key concepts. If you leave investments to compound over time, you can actually live of the interest/compounded return, having all the things you want from the interest not the capital, preserving your capital and leveraging it to its maximum potential. Ohhhhhh YES!

In order to make real, sustainable money in this world, you have to do things others can't or won't. Very occasionally, there are ways to make quick money, but lasting wealth that creates a high life is usually only found through being in an industry or having expert knowledge over the long term.

Like they say, it takes years to be an overnight success. The reason opportunities to make quick money are so rare is because anyone who spots them will quickly exploit them, closing the 'worm-hole,' opportunity. Those who make the apparent 'quick money,' have almost in every case had years of compounded experience to get them to that point of apparent 'overnight success.'

The reality is that most people don't want to delay gratification or be in industries for the long term because it seems too difficult or sounds too much like hard work, and most people simply can't be bothered. I find this sad, and my aim in this book it to help overcome this short term, quick-fix thinking which actually most often leads to perennial unhappiness, or a high cost low life.

Many search for the unattainable 'get rich quick.' If being a success in investing requires you to know at least as much, or more, and be at least as good, or better, than other high level participants, then being in it for a long period of time is your (only/best) strategic advantage. Things that glitter actually take you further away from this route. It is actually those who are in industries long enough to earn the right and be ready who get those quick/big win opportunities, NOT those who constantly search for them.

6.Investing Voyeurism:

If I see a new investment or strategy, I like to stay on the periphery of it, maintaining interest, watching others do it and staying close to them, so I can understand the rules before committing any capital. I have no problem paying an 'entrance fee,' or a small beer as they say here in Barbados, but I don't want to commit significant capital on anything unproven.

I want to see a full cycle of the investment with management accounts or proven returns. Sometimes the temptation is to jump in feet first to get early mover advantage, but this is high risk. It is often best to watch someone else doing it and learn vicariously through their experience, therefore controlling (your) losses, and getting the lowest cost education.

Once you have seen (what you see as) enough proof to make a start, dig deeper and get real financial proof and accounts, not just people's cries of instant success. People will nearly always declare positive results and huge returns because they are excited about their investment success, they want to vindicate their (often risky) decision and feel good about themselves.

They have ulterior motives not to give you the whole truth, or to declare profits they 'will,' get (i.e. haven't yet) and therefore you can't base a serious investment decision on this. They won't know the reality for at least 6 months, and depending on the investment type (new build, off plan or overseas properties being a prime example) it could be 1 to 3 years or more. It's important to understand the detail and corroborate their responses with your own research. If you have any suspicion that they are misguided, simply move on and let them be.

In the past I have called people on their lack of fair analysis and been branded the naysayer. It's simply not worth your time and energy, and there's often no reason or benefit in doing this. If they are a friend, closer to you, you may want to help them.

The best way to do this is simply to uncover the facts of the 'investment,' (I'm known for slapping together a nice spreadsheet) not commenting on whether good or bad, and they will make their own conclusion in the end and the friendship will be maintained. In the mid 2000's and through the crash I saw scores of investors and companies go 'pop,' overnight. Like popcorn they kept on popping.

I know many of them or knew people who knew them, and so I studied it closely and voyeuristically, getting protected education as I could unravel how and why, yet not experience it personally and expensively. I wasn't there to judge or to condemn but to learn at lowest cost. Become a vicarious voyeur in investing for the lowest cost, highest return.

7.Mistake perception:

Some people delude themselves that something is working to save face (or hard work), or because they don't want to feel (especially publicly) that they made a mistake. A mature investor will quickly accept his mistake(s), and often see it as a relevant lesson in the pursuit of success. This process of honesty (to yourself and others around you) is an essential trait of a wise, profitable investor. How quickly you recover from your mistakes and stop the losses measures your success and bank balance as much as your victories.

If you kid yourself, it will cost you in the long run, people will trust you less and you'll have no 'room,' for investments that really work. Once you're sure an investment is a lemon, cut your losses quickly and move on, taking the important lessons and the opportunity to make a more sound investment replacement.

Although at the time painful, people will respect you for this honesty and are more likely to warm to or partner with you. These investors/partners on the sidelines will be watching you on your investment journey, silently judging your actions remotely and seeing how you react to them.

You'll be surprised how your mistakes (and how you deal with them) attract partners as much as your victories. Many investors are afraid or closed with their knowledge, but as long as an investor isn't local to you and buying exactly the same property/investment types, this caution is usually misplaced; very much an old school psychology of lack/not enough to go around.

People often don't appreciate that being open with critical and valuable investment knowledge specific to your niche pays huge dividends, because people will want to reciprocate. You'll end up with a much larger collective knowledge base and value any information given in a very high regard.

I find it useful to watch what people do, not listen to what they say they are doing, as you get the greatest insight into the reality of what is working (and what is not).

8.Buy (everything) low:

One of the biggest fundamentals of investing is getting an asset cheaply relative to its 'market value,' or in the case of shares relative to your estimated value of the company and the estimated value it is likely to be worth in the future. This strategy de-risks the investment should the market fall, or you encounter other problems with the investment. Not only is your 'discount,' profit, it is a quicker exit and lower risk.

A 'discount,' gives you the greatest chance of obtaining a higher yield (higher income relative to the cost of the asset). Buying low gives you the biggest benefit of a higher likelihood of increased capital appreciation in the medium to long term, should you choose to sell or refinance.

You will find it easier to obtain finance (banks, JV partners, birdging) if you have bought an asset low or under value, and you can often refinance out most or all of your capital from a deal, particularly relevant in property investing, or any asset you can leverage against. You will attract more private investors and JV partners, de-risking the deal and increasing their chances of profit (equity).

You need to drum this into your brain as a way of life. I find with most real investors I know that this becomes a compulsion and you'll even find them negotiating over the smallest things such as a taxi fare. In isolation it is easy to dismiss the power of buying something 5% to 25% lower than market value, but over time and across many purchases the compounded power is huge.

It has caused me to develop an almost allergic reaction to paying full price for most things investment or liability based, and from a young age had a severe aversion to 'full retail price.' I get a great feeling when I get a 'deal,' on something; on anything.

As time has passed my time has become more valuable to me and my wealth has increased. I've weighed up the measure of time it takes to buy low, and now limit this to bigger items for big wins or 'giant leap gains.'. In the past I'd spend hours and hours getting travel insurance for £30 instead of £45 from my local bank, or saving £30 on a new phone, putting a value on my time of sometimes £1.

My Dad dies hard in me, but I have leaned the relevance of 'diminishing return on time invested,' that my Dad didn't seem to understand. These days I reserve such endeavours to my PA or just pay the difference, getting involved in decisions that will affect with 5, 6 or 7 or 8 zeros.

When I was 16 I would stand on a market stall selling socks that Sam had supplied me with in the freezing cold at 5am in the morning. I would then have people negotiating with me to get a £3 pair of socks for £2.50. At the time the difference this made to me was worth it and the cash I earned helped to leverage the money I make today due to the compounding effect that money has over time. I clearly wouldn't get involved in this now as it wouldn't be a great use of time.

Equally I once spent 4 hours ringing 18 insurance companies to insure my car to save £50 at 17. It was hours of speaking to people on the phone giving the same information over and over again.

Not directly worth my time, but in the end I knew how the system worked and what does and doesn't push the premium up a lot. It would never be worth my time these days but the compound effect of doing this back then really pushed me on as I knew this knowledge would be useful later when insuring many cars over the years.

9.Thinking big vs. cutting your teeth:

To understand how big deals work, you need to understand the costs at a more grass roots level. I am all for thinking big and I'm sure you've read endless books on this subject, but there is a balance of progression that is the least risky. If you rent off your Mum at the age of 65 and the first property deal you are doing is a Casino, thinking big will be more akin to delusion.

Conversely, if you never take a bigger step up into the unknown, inflation erodes all your progress. Think big but start small. Start small and safe, and test test test in a protective environment.

Importantly, just before you're fully ready, but once you've analysed all risks and costs, go to the next level; just a little above your comfort zone but not on another planet. You'll find there are as many new things to learn as there are similarities, but at least it isn't all unknown and you can balance the experience you bring from a previous deal with the desire, hunger and necessity to learn the intricacies of the bigger deal.

Good boxing promoter/managers know this well. If a talented boxer breaks on the scene, the temptation might be to give him a fight against the current Mike Tyson. This could ruin the young and talented boxers career, as a big knockout causes emotional as well as physical damage.

The smart promoter gives the fighter a couple of easier 'journeymen,' fighters to build confidence, then creeps them up with fighters with more experience but perhaps less talent. Perhaps it might take 5 years plus and 15 or more fights to get your big title shot, but this strategy will give the fighter the best chance of a world title. Then once they have the title they have to defend it against the up and coming rookies.

A Final Note From Rob & Mark

Go out and take action & earn what you deserve to earn...

Money is not the destination but you can go out and get as much as you want to have the lifestyle that you want now.

At **Progressive Property** we are committed to success, happiness and helping you achieve the same. We hope that this report has inspired you into action right now.

If you would like further information on how we can save you time and make you money, then we will be only too pleased to help you.

Remember it is those who take immediate and consistent action that achieve results.

Now we are not saying that you need us.

Now You have the power of choice. Please feel free to contact us at any of the contact details below where you can find out exactly how you can achieve financial independence.

I want to sincerely thank you for reading this report. As you can see we are passionate about property.

We truly believe that it is one of the most powerful vehicles for financial success and a tool to helping us achieve the life that we desire.

It has worked for us and we want it to work for you, because given the choice we know that financially secure and happy people make good people to be around!

And we all have that choice don't we?!

It is this that we believe sets us apart from t
he old us or those that say but never actually do.

Both Rob and I really look forward to meeting you very soon and cannot thank You enough for being here with us

Now be well and successful by choice.

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