

THE YPN GUIDE TO GETTING STARTED IN PROPERTY INVESTING IN 2026

FROM FIRST STEPS TO BUILDING WEALTH THROUGH UK PROPERTY



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INTRODUCTION

Property investment has the power to transform your financial future, but success requires more than just buying a few rental properties and hoping for the best. This comprehensive guide will take you through every essential aspect of building a profitable property portfolio – from setting your first goals to developing the advanced strategies that separate successful investors from the rest.

Too many people jump into property investment with unrealistic expectations, inadequate preparation, or because they're following the latest "get rich quick" scheme. This guide focuses on what actually works: solid fundamentals, rigorous analysis, and long-term thinking.

Whether you're looking to supplement your income, replace your salary, or build generational wealth, the principles in this guide will set you on the right path. This isn't theory – it's practical, battle-tested advice from someone who has achieved financial freedom through property and now works by choice, not necessity.

Let's begin your journey to building real wealth through UK property investment.



Alex Daley



PART 1

FOUNDATION



CHAPTER 1: SETTING YOUR PROPERTY INVESTMENT GOALS

WHY GOALS MATTER MORE THAN YOU THINK

Property investing without clear goals is like setting off on a journey without a destination. You might end up somewhere, but probably not where you wanted to go.

There are many different reasons why people get into property investing. Some want to create another source of income to help them while working. Some want to replace their job and become full-time property investors. Others want freedom to travel, spend more time with their kids, or maybe even to move to the other side of the world where they can live and choose to work on what matters to them.

But here's what most people don't realise: success in property investment starts with knowing exactly what you spend each month.

THE FINANCIAL FREEDOM EXERCISE

Most people have no idea what they spend per month. Do you?

Exercise 1: Calculate Your Financial Freedom Number

Sit down and go through it all: what is your monthly spend? Everyone knows their mortgage or rent, but what about everything else – what do you spend each month? Our objective here is to get an idea of what your 'financial freedom' number is. Whether that's your end goal or not, it's certainly a milestone along the way. A milestone that, once you achieve it, means that you've added a layer of protection to your life and your family's life.

For some the number will be relatively small; for others, perhaps with bigger families, it's going to be larger. Either way, it's fine; it's personal to you.

This exercise isn't just about knowing a number – it's about understanding what financial freedom actually means to you. Is it £3,000 per month? £5,000? £8,000? Once you know this figure, you can work backwards to determine how many properties you need and what rental income targets you should be aiming for.

CHOOSING YOUR INVESTMENT STRATEGY

There are numerous property investment strategies, each with different time commitments, capital requirements, and risk profiles:

- **Buy-to-Let (BTL):** Traditional rental properties, suitable for beginners
- **House in Multiple Occupation (HMO):** Higher yields but more management intensive
- **Serviced Accommodation:** Short-term rentals, higher returns but more work
- **Property Development:** High profits but requires significant capital and expertise
- **Commercial Property:** Different risk profile, often longer lease terms

The key is choosing one strategy initially and becoming excellent at it before diversifying. Too many beginners try to do everything at once and end up doing nothing well.





YOUR PERSONAL INVESTMENT CRITERIA

Whether it's the right fit for you or not depends on your personal situation and goals. You need to consider:

- Your available capital
- Time you can dedicate to property
- Risk tolerance
- Geographic preferences
- Tax efficiency requirements

Personal name vs limited company: If you're a basic-rate taxpayer or plan to invest in only a few properties, buying in your own name might make sense.

A limited company could be more tax-efficient if you're a higher-rate taxpayer, plan to reinvest profits, or aim to build a large portfolio. Speak to a **property accountant** about your specific situation. Get clear direction from that conversation. Notice I said property accountant, not just any accountant. If I want a knee operation I go to a knee specialist; if I want my property accounting handled, I go to someone who understands property inside and out.

CHAPTER 2: FROM LEARNING TO ACTION

THE ANALYSIS PARALYSIS TRAP

In the previous chapter, we covered the super-initial elements of getting you investing. We introduced the idea of financial freedom, which for many may not have been the first time you'd heard of it, but rarely do we actually know what that figure looks like beyond thinking "£5k per month sounds nice to me" – which still can be a milestone, for sure.

You've had time to reflect on that, so hopefully you have a good idea of what we're targeting. You've looked at the different strategies and have an understanding of what route you want to go down. This, though, can be unbelievably tricky. In fact, there is a potential trap where the educational journey can make things even trickier...

WHEN LEARNING BECOMES A PROBLEM

When you understand just enough about one thing, one strategy, it's relatively easy to take action. You don't get caught up with all the shiny options floating around; you just go for it – for many, that means basic BTLs – because you know that BTLs are a place where you can make a fairly solid return over the years and build a chunk of equity. You do it, and that's that.

When you learn more, you become aware of all these strategies, and they all seem so exciting that you can often find yourself in a position of not knowing which way to go. HMOs look great, serviced accommodation looks great, but then there's development – new builds look so cool, I'd love to get into that. But why do new builds when you can do commercial or residential conversions using permitted development?

Round and round you go. And suddenly it feels like you've got nowhere other than doing a really good job at confusing yourself, so at least there's that!

DOES THAT SOUND LIKE YOU?

This is a position that I hear many early-stage investors talking about. In fact, it's a position that many sit in for months and months, if not years! So if you're there, don't worry; you're not alone. We still need to get you out, though.

THE SOLUTION: ACCEPT "GOOD ENOUGH"

There's no real complex method here; you just need to accept that you aren't going to execute 'absolutely optimal investing' – and realise that making optimal investing moves is simply out of reach (of anyone!). 'Optimal' is probably buying some crypto coin named after an animal or a random object, a coin no one has ever heard of; you get in at the perfect time, it goes bonkers, and you come out at the exact second on the exact day it peaks, with a one billion percent return.

If you know how to do that, then don't bother reading this; you're better than all of us. (This is clearly a joke to illustrate there is no optimal and absolutely does not constitute financial advice!)

Once you've accepted you can't get this absolutely right and play the best investment move of all time, then you can get on with it.





EVERY STRATEGY CAN WORK

Every strategy can be made to work well; you just have to execute it well. BTLs work, HMOs work, flips work; they all work!

Let me say that again because I think it's beyond crucial:

Every strategy can be made to work well; you just have to execute it well.

Remember that if you execute each strategy well, you're not tied into it forever. If you invest well, let's say in a few BTLs, then in five years, if you want to start ground-up development, you're in a position to refinance or even sell those original BTLs and make a good profit doing so. While transaction costs are significant when selling and changing strategy, it's not the end of the world. Buy well and you have an equity position; buy poorly and your equity position looks less strong – you have less opportunity to adapt to your new strategies, but it's still possible. The point is, you aren't tied into any one strategy forever.

CHAPTER 3: SETTING UP YOUR PROPERTY BUSINESS

GETTING SET UP RIGHT

In Chapter 1, we learnt that many investment purchases now are done within limited companies. For some, this won't be the right move, but for plenty of you, it's the way to go. I said it before, and I'll say it again: speak with a good property accountant about this. I'm not qualified to give accounting advice, and I don't know your personal situation.

This chapter is all about getting set up right after having that conversation with a property accountant. For now, though, let's assume the best route is a limited company.

SETTING UP A LIMITED COMPANY

Setting up the correct corporate share ownership structure from the start is crucial for tax efficiency, profit distribution, and future business planning. A well-structured share ownership plan can help:

Minimise tax liabilities – Allocating shares smartly can optimise dividend payments and reduce overall tax burdens.

Enable tax-efficient profit extraction – Splitting ownership among spouses or family members for genuine commercial reasons may allow for tax-free allowances and lower tax rates.

Facilitate growth and investment – Structuring ownership correctly can attract investors and allow for future share transfers with minimal tax consequences.

Protect assets and plan for exit – A clear ownership plan ensures smooth succession planning, preventing unexpected tax liabilities when selling or passing on the business.

A simple structure may, for example, be an equal split of Ordinary A shares between the shareholders. There are also more advanced corporate structures, but again, this is something to discuss with your property accountant.

SIC CODES (STANDARD INDUSTRIAL CLASSIFICATION)

The correct SIC codes are very important, as lenders scrutinise these to ensure that the company is structured for the specific property activities that they are lending against. The codes need to reflect the exact business activities.

Many lenders also do not like any other trading activity within property businesses, as, in the event of problems with the trading activities, it can frustrate the lenders' ability to recover the security they hold against the property asset.

Common SIC codes for the property sectors are:

- **41100** Development of building projects. Property developers who plan to build new units or convert commercial units with a view to re-sale.
- **68100** Buying and selling of own real estate. Flipping or trading – buying to refurbish and sell.
- **68209** Other letting and operating of owned or leased real estate. Buying property to rent out, long-term property investment.
- **68310** Real estate agencies. Deal sourcers, packagers, acting as an agent.
- **68320** Management of real estate on a fee or contract basis. Property management companies.



ESSENTIAL BUSINESS REQUIREMENTS

Banking – You'll need a separate business bank account. Who you bank with is up to you. (Personally, my property business account is with Starling; the app is very easy to use and there are no monthly fees.)

ICO – If you collect and hold personal data, you need to register with the ICO (Information Commissioner's Office). Personal data will include applicant information, so it's almost certain you'll need to register with the ICO if you're in this industry. This can be done online before setting up the company. It's not going to break the bank each year (but I won't lie to you, it annoys me!).

Annual confirmation statement – Your annual confirmation statement is often charged at anywhere between £50 and £100 + VAT via your accountants, but it's less than a two-minute job and can be done for free via the Companies House website.

PART 2

FINANCING & ANALYSIS



CHAPTER 4: MORTGAGES FOR PROPERTY INVESTORS

WELCOME TO THE WORLD OF INVESTMENT MORTGAGES

Most investment properties are bought with mortgages, and even if you don't use one initially, investors often choose to leverage their properties at a later date. Getting this right is critical to your success.

1. REFINANCING STRATEGY

Within my own property career, I am still in the growth stage, partly due to my age but largely due to my goals. I have no intention of stopping buying; I want to keep going. To aid the growth, I need to make use of every penny I have. I don't want to hold any more equity in properties than I need to – that's usually 25%. So I refinance back to 25% equity fairly regularly, as it's possible, choosing interest-only to keep cash in my pocket, ready for the next purchase. I aim to acquire a couple of new properties each year, and this is my strategy for keeping going.

It's worth talking about this idea of refinancing down to 25% equity because, for many, this will seem like a risky proposal, and it does mean higher mortgage costs each month. I remain on the hook for the mortgage long-term, so why do I not cash flow it as much? Well, that comes down to buying deals that REALLY work. If deals work at 25% equity and an 8% interest rate as a stress test, you have plenty of scope to refinance down and release equity. For those that don't see that return, this approach is riskier, I would question: should you buy properties that rely HEAVILY on high equity? As always, the number one thing is buying the right properties, ones that cash flow well, which give you more options.

2. SAFETY THROUGH CASH FLOW

Property is high cost. Getting into it costs a lot, and you need to be prepared to spend a lot to keep your assets in good condition. While a leaking tap may cost just £50 to fix, if your roof needs replacing, you're looking at over £10,000. If your boiler needs replacing, again, that's a few thousand. Owning properties costs money, and the longer you hold them, the more cost items you'll stumble across. Having extra cash flow in your bank account rather than owning more of the property will give you the funds to deal with these issues, hopefully without having to dip into your personal account. At the stage I'm at, I'd rather have £100 extra in my account each month ready to use if something goes wrong than have it tucked away as equity. But that's just my stance on it, of course!

Counter to this, of course, is that once you've paid off the majority of your mortgage, your profit margins are higher. If you have a small debt on a strong cash-flowing property because you've paid it down over time, you may well have even more money to provide that safety blanket I was talking about. This works against my first point – having the ability to grow aggressively – but if you have no intention of growing quickly (maybe you just want something stable while you focus on life outside property), this could be a better approach.





Perhaps you're not bothered about maximising growth and instead put down a hefty deposit or pay down a chunk at your first remortgage. For some investors, this would seem like the 'wrong' thing to do. For others, it makes perfect sense. And if you'd struggle to sleep at night with a highly leveraged portfolio (which would be the case for many), why bother putting yourself in a position you don't want to be in at your core? It means you're a different type of investor, so your investment moves will look different – maybe you aim for fewer investments and pay them down aggressively.

3. TIME ERODES ALL, ESPECIALLY DEBT

The principle here is that with time, property tends to go up (granted, I can't get out my crystal ball as it's currently in for repair...). No one can tell you how much your property will go up over the next 20 or more years. I couldn't do that for just one year. We simply don't know. It varies based on type of property, location, government policy, and a ton of other factors that you can't impact. What we do know is that the general trend is for it to go up.

Assuming you don't continue to refinance down to 25% equity over time, your debt will shrink as a percentage of the property value as your equity increases. A £100,000 loan will feel a lot less today than it did 10 years ago, especially if the property has potentially doubled in value.

4. FLEXIBILITY

An interest-only mortgage doesn't mean you can't pay down your debt. In fact, there are two ways you can do that:

1. **You can overpay each year on most mortgage products by 10% of the loan amount**, in effect turning the mortgage into a repayment mortgage but only paying down when you want. Higher costs one month? Just don't overpay.
2. **You can repay a big chunk at the time of your refinance** (usually every two to five years). If you save up those £s over the time period and want to use them to reduce the loan amount, you can do that with no limit on how much you can pay down.

INTEREST-ONLY VS REPAYMENT

All my properties (apart from my home) are on interest-only mortgages. But why? Great question!

There are multiple reasons why I (and, I believe, most portfolio landlords) choose interest-only mortgages, and they all revolve around maximising cash flow. Very simply, a property on interest-only puts more money in my bank account each month. But why is that important?

Cash flow is typically the highest priority for many investors looking to make a living from their portfolios, which makes interest-only the obvious choice.

To be clear, 'interest-only' means you pay just the interest due on the mortgage you take out to buy the property. If you use a repayment mortgage, you pay the interest plus some capital every month, which is why interest-only mortgage repayments are much lower (meaning you keep more of the rent you receive from tenants rather than paying it back to the lender).



The fact the property isn't the main family home makes it feel less risky to maintain a low level of equity. If you can't afford to repay the debt at the end of the term, you won't feel as emotionally attached if you don't live there, making selling much easier (that's the only option when it comes to mortgage redemption unless you have the full amount available to pay off the loan).

CHAPTER 5: DEAL STACKING – THE ART OF PROPERTY ANALYSIS

WHY DEAL STACKING IS EVERYTHING

Up to this point, we've looked at the basic elements of investing – your goals, setting your business up right, mortgages. Now, things really start to heat up – we're going to look at deal stacking.

In my opinion, this is the most important element of the whole process, insofar as it's where most people mess up. Success comes down to investment criteria and then being accurate with your numbers.

MY THREE INVESTMENT PRINCIPLES

These are my three fundamentals:

1. **Be strict with what you buy** – the deal must stack well.
2. **Add value** – there needs to be an opportunity to bake in extra equity through forced appreciation.
3. **Recycle your money** – whether in three to six months or after two years, I want money back out to buy again.

I wouldn't live and die by these principles; there are always situations that stray from this. For example, if someone were to offer me a property that was way below market value but didn't need any work, it could still be a good option – I bake in equity when I buy. That said, has that ever happened? No. Do I expect it to happen? No. Maybe I'm not charming or good-looking enough for people to be throwing their houses at me for pennies. But we can build a great portfolio without unicorn deals. Leave the unicorn deals to the "influencers" who will try to convince you they bought a property worth £400,000 for £9.50 and a Tesco meal deal.

So, for the most part, those principles remain.

Deal stacking is all about your numbers. Seeing if the property you're looking at stacks and makes sense to you financially. Is the ROI (Return On Investment) there? Something might stack for one person but not another due to differences in investment criteria.

With interest rates no longer meaning that the banks are basically giving you free money, a lot of deals no longer stack. A few years back, most properties you considered would make sense to some degree; at least, you wouldn't lose on them. But now rates are often in the 5%'s, deals that worked at 1% or 2% no longer do. And that's a good thing!

WHAT GOES INTO DEAL STACKING?

Key Numbers

It's all your key numbers – purchase price, buying costs (including stamp duty and borrowing rates), actual and stress-tested rental income, and all the extra costs that come along. It really should give you a solid picture, projecting what the performance of the deal would be. From that, you can decide whether you want to proceed and if so, at what price.

It's very common to want to polish the numbers so the deal looks better. You might even convince yourself it's a good one, but really, who are you helping by doing that?





Comparables, Comparables, Comparables...

Comparables are at the core of everything here; without them, you're just guessing what a property will achieve. And I'll tell you who won't be guessing – your lender's surveyor when doing the valuation. If they won't guess, you shouldn't. We don't need to get rental income predictions 100% right. If you're out by a little bit, it's fine – but out by a lot, and the whole deal looks different.

Comparables don't stop at rental income; they cover valuations, both now when purchasing and for the end valuation after you've done the work, whether you're buying to sell or to rent out long term.

Put simply, comparables are nearby properties that you can compare with and use as good benchmarks for figures. Ideally, these would be similar types of property – number of bedrooms, size, and recently rented or sold.

If your property is a two-bed terrace, a four-bed semi one street over isn't a comparable. But a similar-sized two-bed terrace a few hundred meters away could be.

HOW TO RESEARCH COMPARABLES

This process applies mainly to rentals, but the method remains the same for all strategies. Once you find a property you want to analyse, get yourself set up on your property search engine – be it Rightmove, Zoopla, or whatever else you find best. Go onto the rental section, start within a quarter of a mile of the property, and then filter it down to similar types of property. Tick the 'let agreed' box as you want to include those – that's key. In some areas, a quarter mile will offer lots; in others, you'll need to stretch to half a mile or so.

Word of warning: you need to tap into your research here to know whether widening your search means you're entering areas that aren't comparable. We all know those locations that have super nice areas next to less desirable ones. Make sure they're true comparables.

I mentioned that 'let agreed' was key, the reason being that it allows you to see what's renting, not just what people want to achieve. There will always be landlords who overprice their properties; let's not get dragged into thinking that's what yours will go for.



Now you have a list, go through it and get an idea of the spec, how nice each property is. If yours isn't going to be as nice, be honest with yourself. If yours is going to be much nicer, you can see what worse properties achieve. It's very important to be fair and honest about the quality of the product you're bringing to market. If your comparables are all newly renovated properties and yours won't be, don't pretend it'll achieve the same.

The other thing you can do is call estate agents and ask to speak with their lettings team for their opinion. Take it with a small pinch of salt as they're incentivised to be a bit more generous when estimating, but they're generally quite good.

STRESS TESTING

This is done both by lenders and by us investors. Stress testing is about looking at your deal to establish how it stacks if interest rates go up. Lenders have different stress tests, so I can't speak for them all here. Some require your rent to be over 125% of the cost of the mortgage, some 150%. That means if your mortgage is £500 interest-only, the rent must be £750 in that latter example. It varies from lender to lender but also from product to product. Speak with your broker.

As investors, our aim is to make sure this deal works if rates go up, and if these last few years are anything to go by, that can happen. In your spreadsheet, check whether the deal can stay afloat if rates are higher. Previously, investors would stress test at 5.5%, but I stress test my deals at 8%. If my head is above water and I make some money at 8%, I know that if things hit the fan, I'll be fine.

THE COSTS EVERYONE FORGETS

You should have an extra column in your spreadsheet for stress testing, but what else might you forget? We, as investors, are often very good at forgetting the extra costs that impact our numbers a lot – again, often not worrying too much about them as they make a deal look less attractive!

Forgotten Costs:

- **Insurance**
- **EICR** – can be over £1,000 if remedial work is required on the electrics
- **Annual gas certificate**
- **Holding costs** – the costs of holding the property until it's rented: council tax, gas, electric, and any finance costs. If you're doing a renovation, this could be a good few hundred pounds. Remember to factor in time until your builders are free as well
- **Independent legal advice** – mandatory when buying through a limited company



Costs You're Lying to Yourself About!

- **Maintenance** – many people use tiny figures for this. It'll be accurate some years when nothing really goes wrong, but the big-ticket items really shift that average
- **Renovation costs** – blame Homes Under the Hammer, where you see people renovate places for supposedly peanuts. Things just aren't cheap. Always add in a contingency. For context, on a roughly £10k renovation, I factor in £1,000-£1,500 for extras

Many investors talk about how EVERY property will work, but... just at what price will it work? They may be happy to offer on properties at that price, knowing the vast majority (maybe 49 out of 50 offers) will get rejected. As long as they find a price it works at, they can offer that. Personally, I don't make that many offers; I don't have the time, but it works!

Whether a deal stacks or not comes down to your own personal criteria and the minimum Return On Capital Employed (ROCE) that you're willing to accept. Maybe you want 10% ROCE? Maybe 12%? Whatever you want, getting clear on your numbers is EVERYTHING!

CHAPTER 6: NAVIGATE PROPERTY VIEWINGS

KNOWING WHAT TO LOOK FOR

Now we're on to a big one – property viewings! Making mistakes here can be hugely costly and result in you buying the wrong properties. Issues that maybe could be swallowed up as part of your larger portfolio if you had one, but right at the start, when every penny counts, these issues can really hurt your profits.

But don't worry, we're going to run through all the basics so you have the best possible chance of knowing what you're doing.



Equipment:

Notepad

Pen

Phone with camera

Torch (if not on camera)

Optional extras:

Damp meter - About £20

Potential damp? **Check** ✓

Unsure if a roof leak is active or historical? **Check** ✓

WARNING – the first day you get one of these you'll spend far too much time running around testing moisture levels in random things.

Laser measurer - Good if HMO or development plans.

Viewing notes template

*(Check out this QR code for a template.
Use it, add to it, and edit it to your liking.)*



The first thing is accepting that if you have a lot of viewings, you're going to get muddled. Half of the job is to try to minimise muddlement (a new word we've invented) by creating some systems. Pictures really save the day here.

When starting any viewing, take a picture of the outside of the property, showing the front of it. This is your chapter page, so when you look back you know all pictures after that until the next 'door' picture, are of that property.

So you do that, then rush in through the door out of the cold? Wrong. Suck it up then look up. Whilst outside we can check out what the roof looks like. Either way, take pictures, both generally and of anything that concerns you.

We've brought in Stuart Hallworth, who, with 25 years of experience as a chartered surveyor and thousands of pictures of defects, is far more qualified to talk on some of these items than us. Stuart is a regular contributing writer in YPN magazine about all sorts of matters relating to surveying and property defects.



Two adjacent pitched roofs. The sag to the roof in the foreground could indicate a defect with the supporting structure beneath.

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Stuart says...

The roof receives a lot of weathering from the sun, wind, and rain. The part you see on the outside is only the covering. On the inside is the supporting structure, which you must check as part of any roof inspection.

Looking on the outside, does any part of the roof sag? If it does, that may be the first sign of an internal structural failure and you must investigate further. This can also lead to movement of the walls below.

What is the roof covered with – tiles, slates, stone flags? Tiles are most prone to deterioration, depending on their type. Can you see any spalling, shaling, or delamination? If so, deterioration has started and you may need to recover in new materials soon.

Joints with chimney stacks, wall abutments, flues and pipes are areas vulnerable to leakage. They should be covered with metal flashings. Check if they are intact and haven't been patched.

Occasionally, the flashing will be formed in cement, which is inadequate and needs replacing with proper lead detailing.



Also, take note of the condition of the windows from the outside. Firstly, are they double or single-glazed (if they're single, you'll want to budget for changing those), and how do they look? Same with the front door. We can then check the pointing (the mortar between the bricks) for any potential areas of water penetration.

Once inside, we're looking initially for the big things, then starting to work down to the smaller items.

Damp – Is there evidence of damp? Damp is something you're going to see a lot of, but doesn't need to be a huge turn-off for you. It's just about knowing what's what. We've brought in another expert to help us here. **David Pierrepont** from **Castle Damp and Timber**, who mainly operates around the East Midlands.





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David says...

Rising Damp:

Rising damp can be identified by staining or water marks at low levels on the plaster up to a maximum of about 1.2 metres (this refers to the ground floor); the skirting boards could also have started to rot and collapse in. If you see these signs firstly check whether the outside ground levels are below the internal floor level. You need to have approximately 150mm depth to be on the safe side. If debris or the ground level is too high, it will require lowering, then approximately six to nine months allowed to pass to allow it to dry out. If the walls don't dry out then you will more than likely require a new damp proof course and replastering.

Penetrating Damp:

Penetrating damp can be diagnosed by water stains higher than 1.2 metres (or above the ground floor). You will need to check outside for issues with the brickwork, pointing or cracked render. If the issue is higher up the roof and guttering, it will require inspecting to make sure they are watertight. More common are patches on the chimney breasts – these can be caused by issues with the flashing or the chimney stack that will require making watertight.

Timber Issues:

Your timbers can be prone to rotting if they are installed into the walls without a membrane. There are too many issues that can occur with your timbers to list, so if they are wet and crumbling, they more than likely require replacing and isolating from the wet wall. If fungus is present, you need to employ a timber specialist asap. Do not leave this for any length of time or it could destroy the timbers and get behind your plaster.

Condensation:

Condensation-related issues will probably be the most common you come across and usually (but not exclusively) caused by the lifestyle of the occupant. Black mould on the external walls (normally north facing) or around the windows, and clothes going mouldy in wardrobes can be caused by the lack of ventilation in the property raising the relative humidity above 60%. The golden rule is the warmer the air, the more moisture it can hold before it condensates on the windows and walls. Ideally 60% RH at a temperature above 18 degrees should prevent any issues. Also check that you have extraction in the bathroom and kitchen and that they are being used. Due to new regulations coming in I would always recommend getting a specialist report done if the tenant is complaining, to make sure everything is being done by yourselves that can be done.

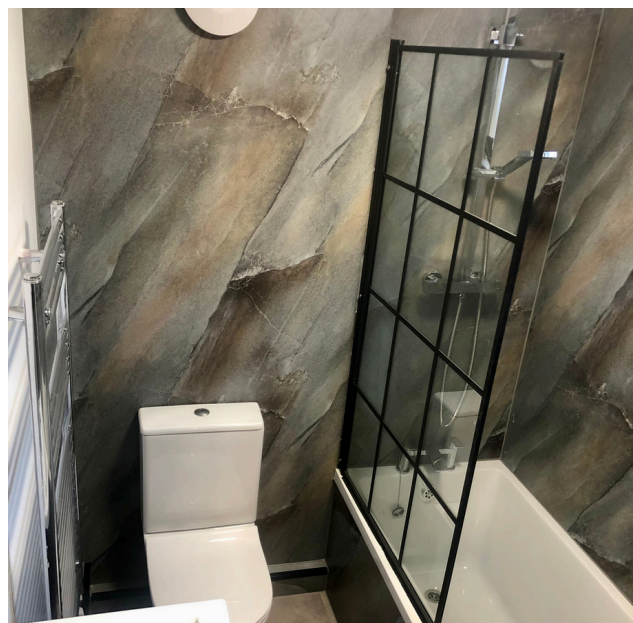


Electrics – Take a look at the consumer unit, and take a picture of that. Remember, if the property is currently a rental it should (by law) have an EICR – this basically means the electrics have been checked and they're safe. If the property hasn't been a rental, it's worth paying close attention here. And remember what you might be doing to the property. If you're going to add in a new electric oven and hob instead of the current gas ones, is there space on the board for new circuits?

Boiler – A new boiler is another big potential expense. You can ask the estate agent if they have any information on the boiler. Quite often they'll be able to tell you when it was put in or last serviced. Either way – you guessed it – another picture.

Then it comes down to noting down the condition of the other big items. The areas you want to pay close attention to are:

Bathroom – This is another huge selling point. Bathrooms can look truly awful in some houses, whether covered in mould or as out-of-date as those tins at the back of your cupboard. The good thing about bathrooms is they don't need to be **that** expensive to bring up to spec. (See photos of the small bathroom that was brought to life under £2,750 for labour and materials.) How's the extraction? Are there signs of current or previous leaks? Check the room under the bathroom (if you can) to see if any issues are obvious.



Kitchen – If the kitchen is outdated and needs replacing, we're talking about thousands. It doesn't need to be an issue, but you need to make sure you know what you're getting yourself into before you offer. Kitchens are going to be one of the big selling points for your property, whether you're selling or renting it out. Does it look like there's adequate extraction? What are the appliances like?

Plastering – Is there blown plastering? Blown plaster can usually be identified by loose patches or hollow-sounding areas when you tap on it, sometimes even bulges. A good redecoration will go a long way but if the plasterwork it's on is rubbish, you may need to factor this in.

Cracks – Now these can be scary, especially if you're new to viewings. No one wants to see cracks in a house, but some are okay and some are issues. Know your cracks!



We called in Stuart again for backup here:

— “ —

Stuart says...

When structural movement occurs, cracking is likely to appear somewhere. There are a multitude of different causes and they can occur anywhere in the building. Whether cracks are serious or not depends on the movement that caused them to be progressive (advancing) or inactive (historic).

This can be determined by careful examination.

Consider:

1. Direction and width.

A diagonal crack which is wider at one end than the other usually indicates subsidence of one part of the building and is often serious. A horizontal crack of uniform width is a common symptom of wall tie corrosion. They gradually become worse, sometimes leading to collapse. Vertical cracks are commonly caused by shrinkage, which is not usually serious.

2. Cleanliness and sharpness.

Clean cracks with sharp edges are likely to have developed recently, suggesting active movement, which could well be serious, depending on the cause. Weathered cracks containing debris will have been there for some time and are more likely to be longstanding and no longer serious.

3. Position and location.

A crack that is only visible on one side of the wall may not be serious if the other side has been filled and the crack hasn't reopened. A crack that has been filled and then reopened is a sign of active movement and possibly serious. If there are particularly bad cracks, it can be worth asking the estate agent if they have any information about them. Sometimes vendors will have had them checked out and have info to hand. It's worth checking the other side of the crack too to see what you can see.

— ” —

Cellar - If the property has a cellar, check it. Yes, we know it's dark, and there are spiders and cobwebs everywhere, but just do it. Sometimes you'll see signs of an active beetle infestation. David helps us identify that – *“Beetle infestation is fairly easy to diagnose. If there are holes in your timbers you have an issue. This could be historic. If fresh frass is evident (light sawdust coming out of the holes) it is probably active and will require treating by a specialist company.”*



Other areas to consider:

Radiators – Are they old type 11 or the better type 21/22s?

Decoration – Check the woodwork as well as the walls.

Flooring – Does this need a refresh? This doesn't need to be expensive.

And that's about it. Once you get around and clock up a good number of viewings this list will seem less intimidating. It'll become more of a habitual process you follow and one that you add to, based on what you're looking for and the type of properties you're viewing. If it's an existing HMO, you may be factoring in furniture and whether that looks like it's falling apart, you will be looking at compliance items and making sure it's up to spec. So it's going to vary from property to property, but this is a good starting point.

Remember, your viewing is of the property but also of the area, so take some time to explore it, whether on foot or, if you're lazy and it's cold, by car.

The general rule is simple – when in doubt, take a picture. In fact when not in doubt, take a picture too. These can be looked back on later, shown to tradespeople you know. A video walk-through (where possible) is also a good idea, especially if you're looking at a bit of a refurb on the property. Viewings are 15 minutes long and you're spending a hell of a lot of money when buying a property, so having more visuals to hand than you need is always a good thing.

PART 3

STRATEGY & RISK MANAGEMENT



CHAPTER 7: BUILDING LONG-TERM WEALTH (NOT GET-RICH-QUICK SCHEMES)

THE MONACO MYTH

I'm writing this chapter in the driver's seat of my Lamborghini, overlooking the harbour in Monaco. I've just finished lunch (lobster, of course), my wife had the risotto (which looked great), and my girlfriend had steak. Sitting here, in the sun, life is good; it made me realise just how grateful I am that six months ago I was working full-time and had no assets. Property investing truly is the greatest get-rich-quick scheme there is. And if you read this magazine, you'll be able to emulate my success.

Now let's get to the truth! I'm actually in Nottingham, in the little bedroom that doubles as a home office, the Lamborghini is a red Fiesta (I did the whole silly car thing a few years back and it ended up being too much stress), and lunch was just a bagel with chorizo and tomatoes. If we're really going to dig deep into the truth, when it comes to those big "markers of success" that people put on themselves or others judge by, they haven't changed in years. From the outside, I'm just plodding away. In fact, having gone from the (very impractical) Jaguar F-type in my early 20s to the Fiesta now in my late 20s, if you were watching from afar, you might think things have got a lot worse for me. On the contrary, however, because when I first got the silly car, I had a grand total of zero properties, and now I'm completely financially free and CHOOSING to spend my Wednesday afternoon writing this.



THE REAL TRUTH ABOUT PROPERTY SUCCESS

So what's changed? And why am I telling you all of this?

One of the things I often discuss is just how different the following statements are:

1. Property can help you get rich.
2. Property can help you get rich quickly.

One word difference – and an ENTIRELY different meaning.

Why is it that people will work a job that doesn't excite them for 20, 30 years, or more, building up to their current position, then discover property investing and set a goal of being out of their job and full-time in property within six months? As if it's ever going to be that easy... Two years? Possible. Five years, definitely possible. But that just doesn't sound good to people who want everything right away. Telling you that this will take time isn't cool; it won't get the same clicks that the flashy car does, and it's a lot tougher to sell the dream.

So let's set the record straight: **getting rich slowly is a really good plan.** I'd hazard a guess that a lot of the folk who talk about getting rich quickly in property probably make 90% of their income selling courses on how to get rich quickly in property rather than in actual property investments. Which is not without irony!

WHY BUILDING TAKES TIME

Building a property business takes time; it's not something that you're likely to do in six months and hit all your big goals. If nothing else, buying property takes ages. Outside of auction, if you complete on a purchase within three or four months of offer acceptance, you're doing alright – so how on earth are you going to grow a fully-fledged business in six?



Bill Gates famously said, "Most people overestimate what they can do in a year and underestimate what they can do in ten years."

WHY SLOW IS THE WAY TO GO

Firstly, we have to break down the **pre-action** and **action** stages.

Your research time before you make your move (pre-action) isn't something that needs to take years. As mentioned earlier on, many people get into a 'paralysis by analysis' state, which results in them not doing anything for years, other than a course or training program here or there. (Hands up if this sounds like you...) My advice is to make this a period of intensive learning. Dive headfirst into learning, then take action. This is not the time to be slow. Learn intensively, then get to it. If you need a mentor to push you, it's worth exploring that.

As for the action, this is where you need to have that medium- to long-term outlook on things. Don't worry about achieving in six months; worry about a strategy that will set you up for success in six years. Because these often look quite different. If you had to get rich from property in six months, your approach would not be the same as if you had years to get rich and build a sustainable business that creates financial freedom.

THE LONG-TERM BUILDING STRATEGY

If you knew you had years to grow your portfolio to reach your goals, how would you build it?

Well, you'd start with that deep, intensive learning – you'd read eBooks like this, you'd watch videos, you'd absorb like a sponge. You'd keep your ears open but also be selective about what advice you took on board. You'd look at your strategies, deciding which to start with, based on your time, funds available, skillset, and interest. Getting caught up in wanting to do five different strategies at once is one of the biggest killers of progress when starting out. Choose, then go full steam at it.

And don't be fooled that you need to do some fancy strategy. Often, basic BTLs, with a bit of renovation to raise value, are the best way to go. Especially if you're busy with your day job and family/social commitments. Make no mistake, some property strategies will create a whole additional job for you. Maybe you can handle that, but others would rather deploy some capital and get a solid return with minimal input than have to go to war each month in their new property business.

BASIC IS BETTER THAN SEXY

The truth is, this is one of the adjustments we need to be prepared to make – being prepared to, when it's right, lean away from the sexy strategies or fancy deal structures. Remember that sometimes basic is best. Find a house in an area with good potential, buy it at a good price, raise the value with a refurb, put in good tenants, and release equity to help you grow. If you did that and continued to push money into the business from your day job for a little while, along with the cash flow and capital uplift, you'd find yourself buying new properties consistently. It will take time, but after a few years, you'll have refinances coming through, rent rolling in, and you will start to see that financial freedom figure getting closer and closer.

INVESTMENT CRITERIA AND RESEARCH

What else would you do if you had years to build a property business? Well, you'd look at locations – where will you invest? You'd research thoroughly the area, what demand is like and dive into your spreadsheets to see if deals stack. Remember, deal stacking is the number one item. If you had years, you'd be selective about what you bought; this isn't a wild west land grab, this is about investing your hard-earned money correctly. Successful investors have a criterion. That criterion varies from person to person, but they have sat down, figured out what a good deal looks like to them, and set that as their minimum standard.

What is your criterion? Maybe it's to add £30k of equity to properties when you buy and renovate. Maybe it's £400pm cash flow. Maybe it's £30,000 per flip. The point is, you'd have a clear understanding of what makes a deal worth your investment.

THE HOLD FOREVER MINDSET

When you start buying, think about the long term – if I'm holding this asset, what are the prospects for this area in the next five, ten years? Warren Buffett once said, "If you aren't willing to own a stock for ten years, don't even think about owning it for ten minutes." The principle remains true in our game (of course, the exception to this is the flip strategy). Sure, we're not locked into any purchase forever but buy with the mindset that you'll be holding this property.

When you renovate, renovate with that in mind, too. Spend that extra money to future-proof yourself a little bit more. Fewer call-outs for things gone wrong, less time spent dealing with it, and less money thrown at problems.



AREA ANALYSIS

Which areas have good growth potential? This isn't the old north vs south – north is for cash flow and south is for capital growth – rubbish! That's outdated and simply doesn't stack up any more, so get that concept out of your mind now. Dive into the area. What investment is being made in the area? How are the local universities doing? What about the local job providers? Within that city or town, which postcodes are performing well? Speak with estate and letting agents to get more of a feel for specific areas.

CHAPTER 8: RECESSION-PROOFING YOUR PROPERTY PORTFOLIO

One of the biggest reasons people are worried about or put off starting and building a property portfolio is that things will go wrong. It's all good when times are great, tenants are paying, interest rates are low, and the government isn't coming after you and your fellow landlords. But what about the tougher times? When tenants lose jobs, interest rates go up, or legislation changes occur?

While this isn't a definitive playbook to recession-proofing your portfolio, what it will do is give you some solid basic principles that I and many investors I know have implemented in order to give ourselves the best shot at weathering any storms.

CREATE AN EQUITY BUFFER + GET AHEAD OF MAINTENANCE

One of the major worries is losing equity if the property market takes a tumble. As individuals we can't do much to hold up the market if it looks like it's about to tumble but what we can do is put in place measures that limit against future (still hypothetical) tumbles.

One of the best ways to do that is to add value to a property, or by buying it below market value. (A super quick numbers example for adding value: If you buy a property for £100,000, put in £10,000 for a refurb and raise the value to £140,000, then a 10% drop across the local market hurts you a lot less, as the property value is still £126,000 after the drop. You're not losing from your original equity, it's a drop in your gained equity. Things could be a lot worse.)

This is why a lot of investors have strict criteria when buying new properties, that they must be able to build in some value through forced appreciation and profit from a refurb. This serves another purpose; if the market doesn't dip (which we, of course, hope it



doesn't), you have equity that you can use to keep buying and scale your portfolio. The negative is that it's more cash intensive: if you buy a turnkey property, you can leverage the full 75% usually (even more if you are fine with it) on the purchase – and that's that. When you're raising the value through renovations, you'll often pay the full 100% of the refurb costs, not using a mortgage.

The other big advantage of doing work upfront is that (assuming the work is of good quality) you can get ahead of some maintenance issues. Giving you (hopefully) a property that has fewer call-outs and needs less money out of your pocket on an ongoing basis. Future-proofing your property links back to making this portfolio bulletproof. An easier-to-maintain portfolio is a better one over the long term.

This value-adding strategy could also be done via change of use, or conversion, such as changing a house to an HMO and getting a commercial valuation on it. Or converting commercial property to residential and getting an uplift there. All those strategies "bake in" extra equity.

The other way of baking in equity would be to buy under market value, aka BMV (below market value). The truth is, this is easier said than done. However, some investors do genuinely achieve it, often targeting deals through direct-to-vendor approaches, sometimes at auction,

possibly on the usual open market if they're able to move quickly and the vendor values speed over getting the maximum price. Example: Buy a £100,000 value house for £90,000, you've immediately got an extra £10,000 equity.

REGULAR INSPECTIONS

This goes hand in hand with the getting-ahead-of-maintenance topic from the last point. The reality is, as well as you set up a property, you'll always have issues – and the longer many issues sit without being sorted, the worse they become. While some tenants can be great at spotting important maintenance issues and reporting them, some will spot absolutely everything wrong with the house and hound you about it – which probably has a "boy who cried wolf" element to it, meaning the really important issues don't get enough attention.

The worst tenants though, are those who don't report anything. Either way, you can't rely on tenants to spot and report all issues.

Maintenance is about proactivity. A large part of property inspections is about spotting things that have gone under the tenant's radar – overflowing gutters, etc. These are issues could easily be missed but could cost you thousands if not sorted proactively.



TENANT SELECTION

Speaking of tenants, getting your tenant selection right is crucial. A tenant not paying or wrecking the house is one of, if not the biggest, property risks. And it will happen from time to time. If you have one property, it's possible you'll get through without an experience that goes badly. But grow the portfolio and at some point, you will. Hopefully, you'll have enough cash flow to swallow up any bad issues and it will not hurt too much.

You're looking at risk minimisation here. I know a landlord who implements quite a strict criteria of: two earning applicants, in two different industries, with no CCJs, and with previous landlord references. Now, you may not need to go to the same lengths of two different industries (which he does in order to protect the tenancy if one takes a hit, such as Covid taking out hospitality), but you start to get an idea of what an ideal tenant will look like.

Better to have a good tenant in the property than a bad one, even if that bad one offered more money initially.

CONTINGENCY FUND

This is obvious, some might think too obvious to need to put it here, but believe me, it's not. You need to have enough money at your disposal to deal with issues that might crop up, without needing to sell a kidney to fund them. How big that contingency fund is depends on how big a portfolio you have and how well you sleep at night with possible costs on the horizon.

By buying for cash flow, you build up that contingency fund quickly.

BUY FOR CASH FLOW

This is beyond crucial. YOU NEED TO BUY PROPERTIES THAT CASH FLOW VERY WELL. Again, maybe this sounds obvious, but too often we see landlords buying properties that just about break even when things go well. Usually, they bought these properties because they're in the area where they live and it was convenient. These are the landlords who bought an investment property when the interest rates were in the 2%'s – properties that don't make great rentals due to low returns but looked fine with a 2% mortgage. Then when rates kicked off and they had to refinance, suddenly their property wasn't making any money at all on the new rates. Don't be like this. You need to stress test your deals at high rates to make sure you're covered (see Chapter 5).

Whenever I see investors on social media saying things like, "It doesn't cash flow well but it's in a really nice area that I know and love, and for sure it will go up in value," I always sit there and cringe. How people invest is up to them, but my properties continue to achieve capital growth and I've never sacrificed cash flow. Most properties don't make great rentals. And that's fine! Leave them for owner-occupiers. You should only be interested in those that make great rentals.

Perfect the art of finding the best deals rather than just buying a house because it's near your home and is an attractive property.

If you, as a beginner, take one thing away from this eBook, make it this: Buy for cash flow. Everything is easier if you buy for cash flow.

Everything is easier when you buy properties that make money! Bills feel smaller, repairs feel less significant, food tastes sweeter, colours look brighter, life is just better!



DIVERSIFY

This is perhaps a fair way down the line, but diversification is something many investors look to implement, whether that's geographical, property type, or strategy. Such as starting with BTLs but then getting a serviced accommodation or a commercial property. This spreads exposure to different client types. (Oh... and who wouldn't like a holiday home that pays for itself on the beach somewhere?)

CONCLUSION & YOUR ACTION PLAN

Congratulations on completing this comprehensive guide to property investment. You now have the fundamental knowledge you need to build a successful property portfolio, from setting your first goals to developing advanced risk management strategies.

THE JOURNEY SO FAR

We've covered the complete property investment journey:

Foundation: Setting clear financial goals, moving from analysis paralysis to action, and setting up your property business correctly.

Financing & Analysis: Understanding mortgages for investors and mastering the art of deal analysis through rigorous deal stacking.

Strategy & Risk Management: Adopting a long-term wealth-building mindset and recession-proofing your portfolio from day one.

YOUR STEP-BY-STEP ACTION PLAN

Immediate Actions (This Week):

1. **Complete the financial freedom exercise:** Calculate your exact monthly expenses and set your target
2. **Choose ONE strategy** to focus on initially
3. **Contact a property accountant** about your business structure
4. **Research three potential investment areas** using the criteria we discussed

Month 1-2:

1. **Set up your business structure** (limited company if appropriate)
2. **Contact a mortgage broker** to understand your borrowing capacity
3. **Create your deal analysis spreadsheet** with stress testing at 8%
4. **Build your professional team** (accountant, solicitor, broker)

Month 3-6:

1. **Complete detailed area research** on your chosen location
2. **Analyse 10-20 potential deals** using your criteria
3. **Build your contingency fund** (aim for six months' expenses)
4. **Make your first offer** on a property that truly stacks

Year 1 Goals:

1. **Complete your first property purchase** and renovation if applicable
2. **Get first tenants in place** with proper referencing
3. **Build systems** for property management and maintenance
4. **Start planning your second purchase** using released equity



THE KEY SUCCESS PRINCIPLES (NEVER FORGET THESE)

1. **Every strategy can work if executed well** – focus on execution, not perfection
2. **Deal stacking is everything** – never compromise on your investment criteria
3. **Cash flow is king** – stress test every deal at 8% interest rates
4. **Basic is better than sexy** – simple BTL strategies often outperform complex ones
5. **Think long-term** – build for decades, not months
6. **Risk management is essential** – equity buffers, contingency funds, and good tenants

COMMON MISTAKES TO AVOID

- **Analysis paralysis** - don't spend years learning, take action after three to six months of intensive study
- **Compromising on deals** – it's better to wait for the right deal than buy the wrong one
- **Overleveraging** – maintain adequate cash flow and contingency funds
- **Ignoring maintenance** – regular inspections save thousands in the long run
- **Poor tenant selection** – strict criteria prevent most major problems

KEY METRICS TO TRACK

These are examples, set your own metrics that reflect your personal circumstances and goals:

- **Return on Capital Employed (ROCE):** Eg, 10-12% minimum
- **Cash Flow After All Costs:** Eg, aim for £300+ per property per month

- **Debt Service Coverage Ratio:** Rent should be 150%+ of mortgage costs (depending on lender criteria)
- **Portfolio Occupancy Rate:** Eg, maintain 95%+ occupancy

RESOURCES FOR CONTINUED SUCCESS

- **Your Property Network:** www.yourpropertynetwork.co.uk
- **Alex Daley:** alex@yourpropertynetwork.co.uk for beginner guidance
- **Property Forums:** Join local networking groups and online communities
- **Continued Education:** Books, podcasts (including Your Property Podcast), and courses from reputable sources

FINAL THOUGHTS

Property investment isn't a get-rich-quick scheme. It's a proven, long-term wealth-building strategy that requires patience, discipline, and continuous learning. The investors who succeed are those who:

- Start with solid fundamentals
- Stick to their investment criteria
- Think in years and decades, not months
- Never stop learning and adapting

The difference between those who build real wealth and those who don't isn't luck or timing – it's the willingness to do the boring work consistently. It's saying no to deals that don't meet your criteria, even when you're excited to get started. It's maintaining proper cash flow even when a "bargain" property doesn't quite stack.

The only thing standing between you and financial freedom through property is consistent action over time.

Remember: Property investment is a marathon, not a sprint. Start running.

READY TO TAKE ACTION?

Your property investment journey starts now. The first step isn't finding the perfect property – it's taking the first action on your list above.

Good luck, and remember – every successful property investor started exactly where you are now.

This guide is for educational purposes only and does not constitute financial or legal advice. Property investment carries risks including loss of capital, void periods, interest rate fluctuations, and legislative changes. Always consult with qualified professionals before making investment decisions. Past performance does not guarantee future returns.

READY TO JOIN THE UK'S MOST SUCCESSFUL PROPERTY INVESTORS?

This blueprint is just the beginning. Your Property Network (YPN) is where serious property investors come to stay ahead of the game.

Here's what you get as a YPN member:

 **Monthly Expert Interviews** – Direct access to industry legends like Martin Rapley, revealing strategies they've never shared publicly

 **Exclusive Market Intelligence** – Property investing trends, what works in the current market, and information you won't find anywhere else

 **Real Deal Case Studies** – Step-by-step breakdowns of actual projects, including the mistakes and how to avoid them

 **Practical Tools & Templates** – Due diligence checklists, financial calculators, and legal documents used by professionals

 **Elite Network Access** – Connect with like-minded investors, joint venture partners, and industry professionals

 **Monthly Strategy Updates** – Stay current with changing regulations, tax implications, and market shifts

While others are making costly mistakes, you'll have the insider knowledge to:

- ✓ Spot value-add opportunities others miss
- ✓ Avoid the pitfalls that destroy returns
- ✓ Build relationships with trusted professionals
- ✓ Access off-market deals through the network

JOIN  **TODAY AND START BUILDING
SERIOUS WEALTH THROUGH PROPERTY**