

Lesson 5 - Property Investment Made Simple

"How To Finance Your Portfolio & Where To Find The Latest Hot-Spots"



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How To Get The Best Results From This Lesson

To really get the best out of this lesson it is important that you print it out and keep the entire lesson together in a file for future reference. I have left plenty of space for you to make notes. **Remember that the information I am going to give you literally cost me thousands to learn.**

If you have any questions please don't hesitate to contact me directly at

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Dear Fellow Property Investor,

May I take this opportunity to thank you for subscribing to my 7 Day course

Property Investment Made Simple

Once you have read the course thoroughly you will have the knowledge of a professional property investor, and have the ability to forge your own successful investment deals.

There's a simple reason for writing these lessons which I'll tell you about later.

I started investing in property less than 5 years ago. I've made hundreds of mistakes which have cost me dearly, but luckily I have learned from those mistakes.

When I set out I had no one to advise me, or to discuss investment ideas. I learnt the hard way, but my goal was to own £1m worth of property in 5 years. Over the past 29 months I have blown that initial goal out of the water, building up a property portfolio worth over £5.5m (with over £1.5m worth of equity) from scratch. I'm not telling you this to boast, but to convince you that anyone with determination and ambition can build their own successful portfolio with minimum risk.

Through my own property investments and helping countless BuyProperty4less members to buy successfully, I have built up a wealth of knowledge on the subject of the investment property market. People who know me in the property game often come to me for help and advice, or sometimes just a second opinion about a particular deal.

Property Investing Is Simple

**"Buy the right property for the right price
in the right area"**

"If it's that simple, why isn't everyone doing it?" I hear you cry.

The reason why people don't do it is simple- they do not have the depth of knowledge about the industry with which to make an informed decision.

That is why I have decided to spill the beans and uncover some of the myths of property investing. I don't like the cliquy arrogance of the industry which has always made it difficult for the average guy/girl to get ahead.

In these lessons I'm going to teach you some of the fundamentals which other companies only discuss on their expensive courses. (I'm not knocking courses by the way, I think they're great - I happen to be a bit of a course junkie myself!)

All I ask is that you sit down and read this information thoroughly - it has the power to transform your life.

OK, so if you have read this far you must be pretty serious about investment property?

Let's get to the nuts & bolts of how the finance side works so you can assess deals like a pro.

You need to know how much you can borrow and what will be the interest rate.

To use a recent example-

Apartment 15 Princess St - Manchester

Gross :£175,000

Nett :£148,750

Discount : £26,250

Assume you wish to borrow 85% of the discounted value at completion-

Mortgage £126,437 (85% of £148,750)

As you wanted to remortgage shortly after you decided to get a no-ties mortgage the rate was 5.5% (Interest Only).

Therefore £126,437 borrowed at 5.5% per annum would be £6,954 p.a or £579 per month.

The rental assessment carried out at valuation stated that the expected rental was £750 per month.

Mortgage lenders often require that the assessment should be higher than the actual interest-only part of the

monthly costs usually by 125-130%. **This is called interest cover.**

Therefore the lender, if they were working on 125% rental cover would require the rental assessment to be-

$\pounds 579 \times 125\% = \pounds 723$ per month (Rental Assessment was $\pounds 750$ pcm) so lender would lend on this basis (subject to status).

After three months the client wants to remortgage to 85% of the valuation (i.e. 85% of $\pounds 175,000 = \pounds 148,750$)

He/she wishes to fix the rate at 4.65% for 2 years. The lender also requires 125% rental cover.

$\pounds 148,750 @ 4.65\% = \pounds 6916$ pa ($\pounds 576$ pcm)

NOTE: In some cases you can borrow more money if you get a good fixed rate and actually pay less per month than if you were on a variable rate.

The lender requires 125% of $\pounds 576 = \pounds 720$ pcm. This is OK as the assessment was $\pounds 750$ pcm.

One of the other questions I'm often asked is **"When should I sell my property?"**

This answer is simple- **"NEVER!"**

If at all possible you should hold onto your investments for long term growth rather than short term gains.

Many people are interested in "flipping" the property before completion. (Selling the contract on before the property is complete)

In today's market I recommend holding onto property - wait at least 6-12 months after completion and usually this is the time to maximise a short term gain, as you will hopefully be selling to an end-user rather than another investor.

What Type of Property is The Best To Buy?

I believe in new-build property for several reasons

- **New property**
- **Desirable locations**
- **Low maintenance**
- **Strong demand**
- **Guaranteed workmanship (NHBC Guarantees)**
- **Superior growth prospects**

How To Find The Latest Hotspots

As part of my research as an investor I am at the planning office every few weeks to see what is happening in my area.

Here are my top 10 considerations in picking out a potential hotspot:-

- 1. New & improved transport links**
- 2. Part of town/city regeneration area**
- 3. Improving Ofsted Reports for local schools**
- 4. New employment in the area**
- 5. Other new developments planned in area**
- 6. Major retail chains opening near by - Starbucks Test**
- 7. Major EU or other Investment Zone**
- 8. Proximity to city/town**
- 9. High local employment levels**
- 10. Demographics in area**

In Lesson 6 I'll explain

- **How to buy property with genuine discounts of 15-20%**
- What makes a great property investment deal?
- **What type of person makes the best property investors?**
- How to get started - what do I do first?

Get ready to receive my next lesson tomorrow.

Happy Investing

A handwritten signature in black ink, appearing to read "K. D. Dunbar". The signature is written in a cursive, flowing style.

As I'm sure you'll agree the main thing you need to make money from investing in property are the right contacts.

I can bet you that the contacts I've built up over the last 5 years are some of the best in the business.

When I started investing I knew no one and learnt the hard way, making many mistakes along the way. I have built up a small select clientele who know that to get ahead and save thousands in the process they need to have someone who has experienced it all and can handpick the prime property investment deals there are out there.

My "Dream-Team" of advisors includes

- One of the UK's leading Mortgage Brokers
- One of the UK's "Top Ten" tax advisors
- The North-West's leading law practice
- The No.1 furniture provider for BTL property
- Some of the most successful letting agents

I'd like you to answer this question:

If I could do 2 deals per year like the one I mentioned in Lesson 1 - How big a portfolio could I have in say 5 years and what would it be worth?

What figure do you get?

What difference would it make to my lifestyle?

As I mentioned earlier in this lesson I want to work with a few select clients who want to get ahead in the property business.

I do all the hard work finding you property and doing the deals. You reap the rewards.

I'll personally introduce you to my dream team of advisors who I hand-picked, purely because they are the best in the business.

You'll receive each property deal exclusively via email BEFORE it hits my website. You can choose the best plots before they're snapped up by other investors.

To find out more about my platinum and platinum mentor services please click the following link below

<http://www.buyproperty4less.com/platinum-membership/>

Yours in Property



K Damian Qualter BA MBA