**PE 14 Edited\_Transcription**

[Daniel Hill] (0:05 - 0:25)

Welcome to the Official Property Entrepreneurial Podcast with myself, Daniel Hill. On this strip back podcast, we're going to be going behind the scenes with special guests to provide insight and inspiration on all things business, life, and the actual realities of high performance in practice. Success and failure are both very predictable.

We hope you enjoy.

[Simon Zutshi] (0:30 - 1:05)

Well, I know Dan's got so much to share, I'm going to let him come on. So I'd like to introduce a very good friend of mine, massively successful serial entrepreneur, Mr. Dan Hill. Good morning, Dan.

How are we, Simon? Very well, thank you. Very well, indeed.

I'm really pleased you're able to come on and share. I don't know, Dan, you are particularly good at kind of looking at stuff, predicting and modeling what's going to happen. And I think people are going to get massive, massive value from this today.

So I'm just going to let you crack on with it and share what you've got today.

[Daniel Hill] (1:06 - 7:19)

Very good. Okay, well, very pleased to be joining you on this. What we're going to look at today is specifically the economy.

So I'm going to sort of tee things up with the economy, so where we are, what's happening, the recession. So what does the recession actually mean? What's it look like?

How's it going to play out? And then we're going to look at the recovery, and then how to actually capitalize. So start to finish, where we are, what's going to happen, and then how we make the most of that.

So as Simon alluded, my name is Daniel Hill, for those of you who haven't had the pleasure to meet previously. I've been in business all my life, I've been an entrepreneur for the last 15 years. I run a group called PPN UK.

So we are primarily in property. We have an investment company, build armchair portfolios for high net worth individuals. We have a portfolio management company, and we have the largest UK network of HMO specialist agencies, which is buying our eighth agency at the minute.

Manor house developments, we do industrial, commercial, care homes, hostels, big residential, we convert them into high density, build to rent, sell apartments, and then property entrepreneur, which many of you will be familiar with, is our business and property training program. So we're heading into the worst recession in 300 years. So this was said by the Bank of England in June, published in Bloomberg.

So there's no light source that's sort of quoting this, and this is for some very valid reasons. There's a number of statistics, there's a number of economic factors, and there's a number of lifts and levers that will be pulled through this period to see how this actually plays out. But based on where we are today, and based on sort of the best judgment of what's going to happen economically, the key statistics, including GDP, the growth and drop of GDP, unemployment rates and employment rates, and activity in the market, we are heading for the worst recession in 300 years.

And some of the stats actually are some of the worst that we've seen since records began. So economically, this is going to be quite, quite hard hitting. Boris and his team are obviously doing what they can at the minute, and Rishi Sunak is a very, very key player within that.

So he's the entrepreneur's best friend at the minute, and he's looking after the economy. Boris initially was on the social side, looking after, obviously, the social, the healthcare, making sure we're all fit and well by locking down the economy. That seesaw is completely pivoted now, and the primary focus has moved from healthcare into the economy.

The very reason being that the view has started to clear loosely of where we are on the virus side of things. But equally, the damage that's starting to be caused by lockdown and the economic scarring or the economic impact, and the economic scarring that's being created is the solution is starting to become more damaging than the actual problem. So economics is where this all starts.

And whilst I am quite active in the property space, and we have a lot of property businesses, my background really is in entrepreneurship and in economics. So I've been an entrepreneur or studying an entrepreneurship, well, I've been studying entrepreneurship and economics since I was 15. I've got a first class degree in strategic entrepreneurship, which is basically looking at micro and macroeconomics, identifying markets, and then spotting where the niches are.

So there's two things that we recommend on property entrepreneur, and the first is a niche. So find a space where rather than be something to everybody, you can be everything to somebody. So you find a niche, or catch the crest of the wave.

And the crest of the wave is all businesses, industries, and sectors go through life cycles. And that looks like a wave. I'm going to show you what it looks like, but that looks like a wave.

And if you catch the wave on the way in, you're moderate to high risk, high margin, low competition. As the business model, the economy, the product starts to develop, more confidence grows, the market becomes clearer, the competitors start to see the opportunities, and you end up with then a growing market, but also a growing competitor base. Economics is used to model how that plays out in practice.

And as entrepreneurs, we need to have an understanding. You either need to be up to speed on how to play the game, which is what we do with our property entrepreneurs, and we take them step by step with what to do and when. Or ideally, you need a more fundamental understanding where you can actually, rather than following, rather than waiting for somebody else to tell you what to do, actually being able to read ahead of it, because an economy is exactly the same as a business.

Our economy works very, very similar to a business. When you understand how it's going to play out, it'll enable you to adapt really well. What I'm going to do is I'm going to give you the key stats.

So on Property Entrepreneur, every month, we do a thing called Master the Market, and we share up-to-date stats as to what's happening, what's happening with property prices, interest rates, funding, finance. This data is really, really important to make the most of where you are with your business. So I'm going to give you a few headlines to try and indicate, if nothing else, where we actually are as an economy.

And all of this data is based on a report I wrote. So when we went into lockdown, and as we started to get lockdown lifted, I pulled together all of the data and wrote a report called the Gold Rush Report. Some of you would have already got that from YPM magazine.

If you haven't already got a copy, it's free to download, and it talks about this in greater detail. It gives you all the stats, it gives you all the models, and it says what the problems are and how we find the solution. It also gives you the blueprint to solve it.

If you go to propertyhyperentrepreneur.co.uk forward slash goldrush, you can download this and it'll give you all the detail of what I'm talking about today. So economically, where are we? I'm going to give you a few statistics.

So in fact, let me just, I can't actually, can I see the chat?

[Simon Zutshi] (7:23 - 7:26)

You may not be able to, Dan, but I can I can relate that back to you.

[Daniel Hill] (7:27 - 7:59)

Yeah, I was just going to get a gauge from everyone because I did this with the pin hosts and coaches yesterday. It's quite interesting to see where everyone is economically and with regards to where people are with their businesses, their ventures, maybe their jobs if they're employed. I just wanted to get everyone in one word, to sum up, how do you feel about where things are professionally, like you as a business, the economy?

Are you scared? Are you excited? Are you cautious?

Are you sitting tight? Are you excelling? I just want to get an indication to understand where people are.

What one word would they choose to describe how they feel about business at the minute?

[Simon Zutshi] (7:59 - 9:33)

So to make that into the question block, guys, how do you feel about your business right now? So I can share some of these with Dan. Remember, participation is the key here, guys.

Business is a participation sport. You can't stand on the lines, just watch other people do it. You've got to get involved.

So think about your business, whether it's your property business or your other business. Type into the question box. How do you feel?

OK, so we've got a few. Come on, guys. Come on, type in.

Interesting different responses here. So we've got Yvonne saying cautious, Darren saying excited, Daniel saying motivated. Chris is saying tricky, but light at the end of the tunnel.

David's saying nervous. Chris is saying positive in my business. Russell's also saying cautious.

Steve's saying stalled. Lita's saying optimistic to hit the wave as it rises. Nick's saying excited about future investment opportunities.

Mary's saying worried. I'm not going to read all the names out, but nervous, good and growing, positive, but currently not working. Interesting.

Nervous, excited, cautious, cautious, uncertain, cautious, cautious. Cautious is the main word that seems to be coming up, Dan. But also, there are people who are excited.

You kind of see that actually there's a lot of potential out there as well.

[Daniel Hill] (9:35 - 1:19:19)

Yeah. So, OK, that's good to know. One of the things that we consistently talk about is success and failure are very predictable.

Whether you're feeling cautious or you're feeling sort of driven and ambitious with this, there's a huge amount of risk associated to it. There's a lot of uncertainty, there's a lot of changes in the market. So however you feel, there is risk associated to it.

The good thing is success and failure are very predictable. When you understand what's going to happen, you can second guess it. You can second guess it and it's less of a gamble and more of a strategic venture, essentially.

By the end of this, whether you are cautious or you are feeling confident, you'll have a very clear understanding of what's going to happen and how to make the most of it. And this is really key. This is going to be really, really key.

And when we talk about the economy, we talk about recession. As an entrepreneur, one thing I want you to take away is, you think about recession as being an entrepreneur's playground. So entrepreneurs can operate.

I've only ever been an entrepreneur. I've never had a proper job, and I've always been an entrepreneur. And I've built businesses in the boom and I've built businesses in the bust.

And there's definitely advantages of building in the bust. And I think Simon alluded to the fact that more wealth is created within recessions than any other time. And there's a very clear reason for this.

We'll play it out in due course. So the more bad news you hear economically, and I don't want to be insensitive to this, because I do appreciate there's casualties and fatalities out there in different sectors and industries. I don't want to be, I'm not trying to be crude to those.

But as an entrepreneur at a macro level, recession and dropping GDP and increasing unemployment is, they're signals of an entrepreneur's playground. So what I encourage you to do is, every time you hear bad economic news, start to think about this as a good thing. So start thinking about something to get excited about, because recession is an entrepreneur's playground.

There's a few things that indicate that we're going into a recession, a few key things we need to be aware of. So these are up to date as of this week, as of Monday. GDP is down 25 percent.

So during lockdown, GDP is down 25 percent. GDP stands for gross domestic product. And in a business where you have revenue, which sort of defines how active the business is, not necessarily how profitable it is, but how active it is, how much it's growing, is called revenue.

In an economy, it's called GDP, gross domestic product. This defines how well we're performing as an economy. If GDP is going up, it's good, we're growing, we then start to focus on things like productivity.

If it's coming down, it's not good, we're heading into recession. If you have three months of negative GDP, that's the definition of a recession. We might actually dodge that definition, which is a bit queer, but it doesn't mean we're not in a recession because the country has been depressed.

So GDP is down. This means the activity in the economy is down. It means it's going to have a negative, there's not enough money sloshing around.

It's going to have an impact on employment. It's going to have an impact on how well we can compete, how well we can grow. GDP going down is a pretty bad thing.

We've also got 8.4 million people on furlough now. So it's 8.4 million on PAYE furlough. If you add in the self-employed equivalent, we're over 11 million people now that are on furlough.

Now, this is really... If you missed my Facebook Live earlier in the week, I did a Facebook Live about why property prices are not dropping, but why they will. And it's very, very clear why they will.

There's three reasons for it. One reason is furlough, because businesses at the minute are using the safety net of furlough, where the government are paying their employees salaries so they don't have to make a decision whether to keep them on and burn the cash or release them into redundancy. They're in this suspended...

They're in this suspended... Well, they're in this period of suspension. We don't know yet how many people are going to come back from furlough.

There is no stats in the UK. The main reason is because the two big sectors, hospitality pubs, restaurants, and retail are only just opening back up. We don't know what impact is going to be or what scarring is going to be on those industries.

But having 11 million people, over 11 million people on furlough is not a good position. And there's a huge amount of uncertainty of how many of those people are actually going to have jobs to come back to. There's no stats in the UK, but the most recent stats from America, which are about two weeks ago, were forecasting a 60% return rate.

So 40% of those to lose their jobs. And economically, America's having some real challenges at the minute. We need to see how this plays out for us.

But it's really not looking good. We were hoping to see a bounce back in retail. Obviously, spending habits, but we're hoping to see a bounce back in retail because retail is a huge, huge sector.

We saw a two-day spike last week. So we reopened on Monday. We saw a two-day spike in retail.

When I say we, I mean the UK economy. The UK economy saw a two-day spike in retail. But then by Wednesday, it dropped to 40% of its trading levels.

Now, retail has made between 3% and 10%, maybe even up to like 20% at the highest level. When you're operating on that level of margin, you need 80% of business just to pay the bills. This level of trading activity is not going to be sustainable.

It was not going to be sustainable with two meters. Hospitality and pubs is exactly the same. Restaurants and things like that, at the minute, with two-meter social distancing, they were going to be planning on operating at 30% revenue.

That would put a business out of business. It's not the start of a solution. It's the beginning of another problem.

Luckily, social distancing this week has been reduced. We're going to go down to one meter plus, which will make a big difference. But trading activity in the sectors that are open is down significantly in the ones that have been hit.

There's obviously booms in – well, there's temporary booms. In fact, there's not. Supermarkets are actually down.

Supermarket trade is actually down. There's a small price. There's a small offset there in the inflationary price of the food.

But due to the social distancing, trade through supermarkets is actually down. But obviously, that sector has done okay. Distribution is booming.

Some of the big supermarkets as well did really well out of the business rates. I think Tesco paid a £700 million dividend last quarter, and £400 million of that was actually their business rate relief. So you've got to make sure you understand the data.

But in the main, activity is significantly down. Inquiries and surveys are a really good way to indicate what's going on, whether it's people inquiring to sell their houses or it's people inquiring to go into insolvency. Insolvency inquiries for the last month compared to the same month of the last year's period are up 42%.

So it's indicative of what's happening in that space. Businesses are fearful of what's going to happen or actually going bust. If we don't get hospitality back to pretty much full steam by the summer, we're going to lose another 3.5 million jobs, which is going to have a huge impact not only on our sector, but on the economy as a whole, because you want high employment, low unemployment and growing salaries for a booming economy. We're heading in exactly the opposite direction to that at the minute. Third of firms are bracing for layoffs. So 33% in the most recent survey of companies are preparing for layoffs and redundancies.

I've spoken to quite a few managers, people who run restaurants, hotels in the hospitality sector, and their first job is how to reopen for the 4th of July. Their second job is to start the redundancy process. Very savage times, very sad times.

There's going to be a lot of casualties. There was a management confidence survey. Now, this was done last month.

So a bit has changed since that. But they were forecasting a 22% return by the end of 2020. So only 22% of senior managers and directors believe they'll be back to full tilt of business by the end of 2020.

Now, it goes without saying that that level of confidence is not encouraging at all. So when you look at furlough, so those of you that are wondering, sort of over 11 million on furlough and the self-employed equivalent. On the PAYE element, in fact, on PAYE plus the self-employed equivalent, 42% of the private sector are currently out of action.

So nearly half of our workforce are not at work. We've really got to see how many of them can return to work before we can understand what's going to happen. But the impact of this is going to be significant.

Again, when I say these bad things, think in your head that these are positives. Get excited about it. It is the entrepreneur's playground.

The recession is an entrepreneur's playground. Going into this, going into lockdown or towards coming out of lockdown, the last eight weeks or so, the best forecasts have been that we've been forecasting between 6% and 10% unemployment. Now, 6% to 10% with 10% being the worst was quite a shock figure.

If you think at the peak of the GFC, global financial crisis, we were up at 7%. So 6% to 10% was in the same level as the last recession. The forecast now, based on what we're starting to see with the economies starting to open back up and furlough being announced as being phased out, is the forecast now.

It's very realistic that we're going to achieve or we're going to hit a 10% unemployment rate. We could go up to 14%. 10% to 14% unemployment would be the highest level of unemployment we've had in history.

That would be the worst position we've ever been in as an economy. And you can't just create jobs. The recovery for this will take some time.

And obviously, there's a domino effect. When you understand how this plays out in practice, there's a domino effect with employment. Because if employment's high, people earn more.

Salaries go up. People earn more. They spend more.

Businesses expand. They employ more. They earn more.

They spend more. It's got a huge amount of momentum to it. The same happens when it goes the other way.

Because people lose their jobs, which means supply and demand pull the price and the cost of salaries down. People then have less disposable income. If you couple that with inflation, which is possible, I don't think it's going to be our immediate concern.

Neither is interest rates. That's not going to move for years, I don't think. Unemployment is a real...

There's two key metrics you want to be looking at through this period. One is unemployment, and the second is government stimulus. They're the two key dashboard metrics we want to be looking at through the next quarter.

Forecasts of 10% to 14% unemployment, if that actually plays out, is going to have a huge, huge impact. Government borrowing and government spending always plays a key part in both economic recessions and economic recoveries. Bank of England last week printed another 150 billion of quantitative easing.

This will probably be the last stimulus that we see. Basically, the central bank will print money, they'll lend it, they'll buy bonds, in most cases, get money down to central government, and then central government will distribute it. There's a number of rules and regulations, which means how much they can burn and how much they can invest, how much they can spend and how much they can invest.

What you're going to see as this plays out is, at the minute, we've got a huge burn rate. It's unavoidable, but it's not sustainable. Furlough, grants, waiving business rates, deferred payments.

There's all this money being borrowed, but it's burn rate. It's not investment spend. This will probably be the last spike of quantitative easing that we see that's going to be allowed to be used for burn rate.

The game then changes, and it has to go into investment. I suspect we will see a fast tracking of the public sector spending scheme, which is your infrastructure, road, rails, hospitals, and you'll probably see further development because the public sector is one way to get the economy going again by creating jobs, buying materials. You understand what I'm saying.

Then finally, there's significant concerns. I don't know how many people on this webinar are in the property space, but there's two elements that affect the whole economy, but these are challenges and opportunities in property. There's significant concerns around the commercial and finance markets.

Commercial markets, specifically the high street and the high street retail and shopping centers, Intu is probably going to go. So, Intu is one of the two biggest shopping center groups. It's quite likely going to go into some sort of administration or restructuring.

KPMG have been instructed. They're all speaking to their investors this week. It's quite likely that business is going to go into administration, and that's not a small business, and you've got to look at all elements of that.

There's that side of it, but there's also the finance markets. These two play hand in hand to a degree. In the commercial space, there's huge concerns about what's actually going to happen with pubs, restaurants, retail, shopping centers.

There's going to be a lot of change there. Some people just won't come back from this. All the zombie businesses, if you know what a zombie business is, like a business that's been walking around like a zombie for the last five years on life support, this is just fast forwarded that and pulled the trigger for some of them and just put them out of business.

Things like the Arcadia group, these big organizations, corporates that have ridden the wave in the past, but they just got too heavy for their own good. Things like that are going to be heavily impacted. That'll have an impact on the commercial space.

Finance markets as well, it's something to really watch, and there's loads of areas to this. I don't have time to go through all of them. The main ones that concern, well, one that you need to be aware of is there's going to be an availability of finance for businesses, which is really good.

It'll be a government stimulus. They have to get businesses invested and people spending. The other thing is a lot of money.

There's lots of money. The amount of money in the economy hasn't changed. It's just understanding where it goes.

A lot of these big companies, corporates, shopping centers, commercial space, because they're such steady assets, they're low-risk, low-yield assets, they were the flavor of choice back in the day for funds, pension funds, investment funds, so they own a lot of these big groups. Them going into administration will have a big impact on the finance market, whether it's the investment market or the pension market. We need to be aware of that because that's not a good thing if people's pension starts to get affected.

There's also other things that are starting to be talked about. I don't personally think that they're a good idea. In fact, I think they're quite risky.

One is that the government are looking at potentially changing the fees and the regulation on pension investments, which means that pension funds, normally, if you want to use pension funds, you need to move into a SAT or a SIP, a third buyer, then you've got trustees, you've got protection, and there's still a degree of wrap around the funds. One of the things that's being looked at is that finance capital could be released into private companies. Now, I really don't think that's a good idea.

I think pensions are there for a reason because they're secure, they're low to medium yield, and they protect people's wealth, and they're administered by people who know what they're doing. If, in some capacity, we release that, people can start investing their own pensions, or even worse, third parties can start to invest in private companies, through this phase, you have to really know what you're doing. I know quite a lot about economics and know quite a lot about business.

I wouldn't have the confidence to start investing other people's money in other people's companies. Yeah, I don't think that's a good idea. And then also, ISAs, they're looking at doing the same, potentially, with ISAs.

These are very early initiatives, but there's going to be lots of stimulus happen over this period, and releasing ISAs, so reducing the regulation on ISAs, so you can actually, at the minute, you can use a director's ISA. So most of the people on the board, on Property Entrepreneur, we have director's ISAs, and we do loans from our ISAs to our company, back to our ISA, and then you can charge it at a commercial rate. It's a good way to get some interest-free or tax-free capital out of your business, fully FCA accredited.

It's a very strategic way to do it. However, what they're looking to do is, potentially, relaxing that even more. So actually, you can invest your investor capital through your ISA capital into private companies.

And that could be a game-changer for those who know how to do it. That would be good. For the mainstream person who got their life savings in an ISA, perhaps, I would be a little bit more cautious about playing that game.

But it gives you an insight to what's happening. So our headline, economically, we're not in a fantastic position. There's a lot of damage, but there's also a lot of uncertainties to how this is going to play out.

Without a doubt, we are in the worst recession for 300 years. It goes without saying. And against other developing economies, the UK is not doing fantastically.

Last week, it was reported that the UK economy against other countries is actually one of the worst off. However, there was a revised report this week that actually suggested we're not doing too badly. Wherever we stack up against other countries, we are heading into a serious downward turn in the economy.

As I said, don't let this scare you off. Don't let it freak you out. Don't let it stop you doing what you do as an entrepreneur or stop preventing you from becoming an entrepreneur.

Because success and failure are very, very predictable. And I've been banging this drum for years and years. On Property Entrepreneur, we basically every month or every month and every year take people through a very clear process, step by step as to what they need to do, how they need to do it, and when they need to do it.

It's exactly the same with this recession. It's very clear what's going to happen. And I'm going to share this with you.

I'm going to give you some transparency on how this plays out. So on Property Entrepreneur, we've got 100 property entrepreneurs. And if you remember how this played out in March, we went from thinking, everything's going to be OK.

Don't worry. You know, China's the only one who's got a problem with the virus. So within a seven-day period, having working from home and then another seven-day period, a full lockdown, that would throw most businesses, entrepreneurs into absolute shock, devastation, panic mode.

We had 100 property entrepreneurs to guide through this. We had our 60 property entrepreneurs who are on Property Entrepreneur for the first year. And then once people have done their first year, most people stay on for a second or third, or some people have been on the program ever since it started for the last six years.

And we don't teach property on this program. We don't talk about property strategies. We send people over to Simon for mastermind for that.

But once you've got your portfolio and you know how to invest and you want to actually build a proper business, people come to Property Entrepreneur. One of the reasons it's so popular is that whatever's going on in the market, whether it's booming or busting, step-by-step, we'll show you how to do it. So the photo on the left, you'll see me talking about business modeling, which is understanding how to actually structure a company model to make sure you're actually going to make money.

And on the right, you can see me talking about master the market. Master the market is about how to understand what's happening, how to identify the niches, how to identify the waves, and how to capitalize, how to catch the wave and surf forward. On the beginning of March, when all hell broke loose, I obviously had a responsibility to our clients.

I was like, well, what are we going to do? What are we going to do at Property Entrepreneur? We host three workshops a month at the Belfry.

Do we now close those down and let them fend for themselves? And we all just go to sleep for three months? Or do we step up and make sure we know what's going to happen?

So we switched Property Entrepreneur from three workshops a week, a month, to three workshops a week. And what I did was, over the last three months, some of you maybe have been on Property Entrepreneur. Some of you will know people on Property Entrepreneur.

Feel free to, I'd encourage you to check any of the things I share with you. On the 17th of March, this was about a weekend. This was before lockdown.

It was the day that we'd announced that people, if they wanted to, could now work from home. So if you remember, that seems like a lifetime ago. The 17th of March, I said to the Property Entrepreneurs, honestly, the world was obviously going into chaos.

I said, just don't panic. Don't panic. I've looked at what's happening.

I understand to a degree how this is going to play out. There's no way we can guess what's going to happen. But we need to move from panic to provisions.

And what this meant was, we need to stop panicking. We need to put a plan in place. And we need to understand what provisions we need to get through this.

And the second is, we need to hope for the best, but expect the worst. And what I'm going to do with you for as long as this lasts, is I'm going to walk you through this every single step of the way. In this video, which is about 45 minutes long, this was the 17th of March.

This was before lockdown even started. I predicted over the next six months, what I thought was going to happen with regards to us going into lockdown, businesses starting to go bust, finance being available, people being put on to universal credit, furlough being announced, government finance being made available, civils, BBLS. And for 45 minutes, I shared all the different things I thought was going to happen.

Because the property entrepreneurs now talk about this crystal ball that I've got, where I can just guess the future. And this was four months ago. And pretty much, so probably 90%, and give or take a week, 90% of all the things that I predicted would happen, have happened and are still happening.

Even to the fact that at the beginning of this, I said, I guarantee you when the dust settles, there'll be a coronavirus fraud squad. And for anyone who takes loans illegitimately, or does anything unsuared with this support, uses furlough abusively, there will be a fraud squad created to audit what's been happening. I said that three months ago.

Yesterday, there was an announcement that the government have now launched a coronavirus fraud investigation team who are now looking at people using finance, winding down companies, and doing things like that. Success and failure are hugely predictable. Granted, it was impossible to guess what was going to happen with the virus.

Nobody knew that. I'm not saying I'm a bioscientist that understands all this stuff. I'm saying I'm a longstanding entrepreneur.

I'm a strategic entrepreneurship. And I understand economics. And when you understand that, it's very predictable what the government are going to do.

Because there's only one thing they can do. They can either let the country go bust, or they can do certain things. So this is the model that I shared with the property entrepreneurs.

And like I say, you won't have to look very far to find a property entrepreneur. And you can take this with them. About three months ago, I created this model and said, I've looked at what's happening.

I've read around it. I've spent weeks, like the last couple of weeks, scrutinizing what I think is going to happen. And this is my best guess.

This is the model that we're all going to use for the next however long, until the next model comes to define what's going to happen. And what I forecast was that we would probably have a three-month high-impact period where everybody's locked down. Businesses are going to have a real bad impact.

People will lose their jobs. And we'll have this three-month dive. That was basically spring.

And then what I forecast was that we would have a three-month recovery period, which I forecast to be the summer. And this is where we are now. So what you're going to see now is we're going to start to release the...

This line is basically the lockdown line of businesses being locked down, and then businesses coming back. Three months recovery, where gradually things would be opened up. I forecast that lockdown would be in phases.

There would be a high-value, low-risk, which would be supermarkets, healthcare, the places where you can control the risk, and all the places we need. You then have a period of phase recovery, where people would be released into the economy gradually. This is what we're seeing now.

So retail went back last week, or non-essential retail went back last week. Next week, we'll be seeing hospitality. And then we're going to see barbershops.

And then slowly we'll move into the later phases, where they're high-risk, which would be high-density, conferences, music festivals, all these sort of things. And the economy would go through a period of... Whilst the opening up of lockdown would be immediate, it would take some time to really understand what's happened in these industries, because we need to wait for the dust to settle, or the fog to clear, to see what's going to happen.

So this was the first phase. There's three phases to this economic recession and recovery. And this is the first phase.

And this was lockdown. This was what was going to actually happen. And give or take a week, we pretty much predicted it spot on.

When you can understand how things are going to play out... So if you knew the lottery numbers for Saturday, I guarantee not only would a lot more of you buy lottery tickets, but you would have a much higher success rate and make a lot more money in that space. It's exactly the same for business and for property, or business and the economy.

First mover advantage means the first person to move, the first person to create a smartphone, the first person to create an electric car, the first person to create anything has first mover advantage, which means there's high risk, but there's high returns. There's low competition, but there's fast growth. Every single business I've ever built has been a first mover advantage business.

It's been a crest of the wave business. So HMOs, when I built a HMO portfolio, I went to a town or city where nobody else was doing it. The demand far exceeded the supply, and there was a high yield.

I rode that wave for five years, waited until it got matured, waited until it got saturated. And then I stepped off the bus, cashed out at the top of the wave, and went on and did something else. In property, probably high density builds around the cell.

So high density builds around the cell. Understanding how minimum space standards work, identifying sites that you would get through, understanding the local plan, using a local plan to do a full planning application. Couple that in C-grade areas with A-grade stock, no minimum space standards and high yield, you can then play the game of commercial valuations, low price per square foot, and ride that wave.

And we've been doing that for the last few years very successfully. HMO portfolio management companies, we started MultiLab about four years ago. First sort of national company to do it.

Nobody else, we've got eight offices around the UK, because we were the first ones to do it. Now, nobody else has got our economies of scale, nobody else has got our infrastructure. And what that means now is we're in the best position because we've got that first mover advantage to now acquire all the independents.

So those independent agencies who build agencies, they haven't got the economies of scale, they're hard portfolios to run, they just can't do it competitively. So the money for those businesses is actually in building the stock base up and then selling it rather than cash flowing it. Because we've increased regulation, reducing revenues from things like tenant fee ban, all that stuff, it's more challenging.

So we now make our game now is to acquire other agencies. So if you know anybody who's got agencies that wants to sell them, we're always open to those conversations. And we're acquiring quite aggressively, we're doing one acquisition a quarter of the minute, because we've got our first mover advantage, property entrepreneur, first program to do business in property training.

We're the highest rated program in the UK, oversubscribed every year since 2013. Success and failure are very, very predictable. If you get this first mover advantage, you can really ride this way.

And we've been in the top 2% of fast growth companies for the last five years. We've doubled in size every year, pretty much. The only way you can do that is to play the game.

And when you understand how to play the game, you get that first mover advantage. So I'm going to share with you now how to get this first mover advantage. So there's three phases to this economic period.

The first is the dark. So if you imagine the analogy of driving a car, if you're driving in the pitch black dark, you can't see corners, you can't see curves, you can't see bumps in the road. It's very, very hard to move aggressively.

All you can do is try and survive, stay on the road and not come off the side. Phase one was where we've just been. That phase was the lockdown phase.

No idea what's going to happen. No previous benchmarks to go against. Loads and loads of uncertainty, things changing literally on a daily basis.

That was phase one. That was the dark. Phase two, however, is dusk.

We all know what dusk is. And dusk has more light than dark. And what this means is when there's dusk, you can start to see the road ahead.

You can start to see the corners. You can start to see the signposts. And you can get more confidence in what's going to happen.

And when you get this clarity, there's light. You can see the turns. You can see the landscape.

You can start to move more aggressively because you can see what's actually going to happen. The risk levels are significantly lower. Dusk is the period where you get that first move advantage because you've got enough information.

You can see the road. It's like, right, I've got confidence. I can read the signs.

I'm going to put my foot down. I'm going to capitalise. This is the gold rush period.

This is where we absolutely capitalise. There's high risk because most people, there's high risk or perceived high risk, which will mean a lot of people stand to the sidelines. And it's the place we need to be.

It's the place we want to absolutely dominate as an entrepreneur. So the dusk phase is phase two. And then once you've been in the dusk phase for long enough, we're going to have absolute clarity over what's happening.

So we then get to the dawn and the dials. And what this is, is the dawn is where there's full sun. So full sun, can see the entire landscape.

We can see for miles. Loads of people have been here before. We've got sat nav.

We can drive with absolute confidence. And the dials is because economically, we've been here before. We understand what's going to happen with employment rates, growth, because all that uncertainty has disappeared.

We know what unemployment levels are. We know what average earnings are. We know what GDP is.

We know what the investment levels are. We know what the level of government spending is. We have absolute clarity as to what's going to happen.

So we can drive aggressively through this period. But the danger there, when you can see everything, it's good. It's a growth curve.

We can drive aggressively. We can expand. But then so can everybody else.

Every other entrepreneur, every other business knows what's going to happen. They jump on the bandwagon. And that only lasts for as long until we hit a period of maturity.

So we're in recession. We've had phase one. We're heading into the dusk and then the dawn.

And we want to play the game. We really want to start getting into this to understand how do we play the game? How do we get ahead of the game?

And I would say with absolute confidence, you will make more money in the next three years than you will in a lifetime. This won't happen again. I mean, let's hope it doesn't happen again because a lot of people have been hurt through it.

But this will not happen again in your lifetime. We've got COVID. We've also got Brexit, don't forget.

We've got Boris has set a hard deadline now of August 31st. Either we do a deal or we walk a bad deal. Previously, we've been like, that's going to be devastating.

Really? It's just a fly in the ointment now. Let's get it done.

Let's push through it. We're going into this recession. You'll know people who made their money.

They made their money in the dot-com boom. They made their money in the care space 20 years ago. You're going to know a lot.

Or hopefully this is actually going to be you that's going to do it as well. This will be the period in time where the most amount of wealth is created. For those who understand how to do it.

We're going into this as more aggressively. We're quite aggressive growth company anyway, or growth group anyway. But we're going into this very aggressively.

This is a once in a lifetime opportunity. Some of the best businesses out there are built during recessions. I've always built businesses in recessions.

I've scaled businesses in the booms. I've started businesses in the past. Uber, Airbnb, all of our companies.

We've got over 20 companies of the PPN UK. They were all started or scaled within recessions. This is not something to say lightly.

This is absolute playground for many reasons. I'm going to share with you how this plays out. When you understand this, those of you that are cautious, which is the majority of you, it will give you confidence how to play this out.

Now, it's not going to be everything. It's the... I was reasonably confident producing phase one.

It was the hardest, hardest period to do it. I've now predicted phase two and phase three. I would say I wrote this model about six to eight weeks ago, maybe six weeks ago.

Despite all the announcements that have been shared, I maintain my stance that at the minute, based on the information we have, 100% confidence this is how it will play out. The first thing to understand is the economic cycle, is to understand that there's a very predictable economic cycle that all businesses and economies go through. I'm going to walk you through this.

There's four phases of an economic cycle. This has happened through the whole of history. For as long as we've been a capitalist economy, for as long as we've had a monarchy in government, there's four phases the UK economy goes through.

I'm going to take you through this. There's two indicators for this. The first is GDP.

We have periods of high GDP, which means there's loads of activities, high employment, low unemployment, high salaries, lots of spending, and then there's low GDP. There's a spectrum on this. We've come from a period of high GDP.

We're heading towards a period of low GDP. That's the first axis you need to be aware of. The second is the level of government stimulus.

Government stimulus is a lever that indicates where we are, much like interest rates does to control inflation. If we have high GDP, which means the country is doing really well, we normally have low government stimulus because if there's good economic activity, the government can sit back and not do a huge amount. However, when we have low GDP, we need stimulus, we need air in the balloon, and we need higher government stimulus.

When I say success and failure are very predictable, they're highly predictable because unless we're going to go bust as a country, this is the only way the economic cycle can work. The first one is top left, and this is a mature market. A mature market means low unemployment, high salaries, high GDP, and then the government, so that the economy is doing really well.

What the government do then is they tax you, they increase compliance, they increase regulation, and there's loads of air in the balloons. The government can hold on to the balloon, draw down the money they need, pay the salaries, invest in health and safety and NHS and things like this, and that's a nice mature market. It's happy, it's stable, it's where it is, and the government will draw their taxes.

That never lasts forever. If it's good, it'll go bad. If it's bad, it'll become good.

What happens in a mature market is we have a shock factor. So something will shock the economy. Last time it was the finance market because of irresponsible lending, the banks inflated balance sheets, derivatives, subprime lending.

The finance market closed down, locked up, which meant we ended up into a recession. It triggered a recession. Now we've got coronavirus.

We've had coronavirus and Brexit. We've thrown the country into lockdown. We've closed down businesses, and we're going to take a hit in GDP.

We're going to increase unemployment rates, and we're going to have a negative impact due to corona. Recessions can be caused by anything, and normally everyone thinks it's going to be something, and it's normally something completely different. Well, this time we thought it was going to be Brexit, it ended up being coronavirus.

What this does is it drops GDP, it forces us down, and then we end up in a recession, or if we're there for a while, in a depression. And what this is is a period of low government, or we're in this period, and there's low government stimulus. So the mature market has low government stimulus.

The government, there's air in the balloon. The government are taking their taxes. They're happy.

We're now thrown into recession, so we have to, if we keep a low level of government stimulus, we will go into a depression. So if the government don't step in and get air back in the balloon by getting the economy going, creating jobs, creating activity, driving growth, then we'll move into a depression, and nobody wants to be in a depression. So what happens if we have to shift gears now, and we have to get government stimulus in, and this is the period you should be very, very excited about.

So this is the gold rush period where during the mature market, the government do what they want. Entrepreneurs are scratching and clawing and trying to make some money and trying to make margins and having taxes and changes and loads of social sector elements contributed. The gold rush is completely different because we're in a recession, entrepreneurs, small businesses, generate about 99% of jobs in the UK and generate the activity and revenue in the UK.

Entrepreneurs, the government will now get out of the way and entrepreneurs are the people who are going to save the day here. Entrepreneurs build businesses, entrepreneurs create growth, entrepreneurs invest in their business and in the economy. The gold rush is the period where the government get out of the way, they get out of the way, they reduce taxation, they lend you money, they reduce regulation, even like during lockdown, even like during lockdown where in the mature market, there's things like driving hours and what do you call them, not trackers, the tick cards, or whatever we call them, in HDVs and things like that.

Even during lockdown, the government said like, you can increase driving hours, you can reduce rest hours, you can increase the length of longest journey. You're going to see that on a ginormous scale like you've never seen. The government are now relying on you to build your business, to create jobs, to get the economy going because entrepreneurs are the ones, the government needs to get air in the balloons, entrepreneurs are the ones that are going to bring the air to the table, entrepreneurs are going to blow these balloons up.

So the government will reduce taxation, they will lend us money, they will get out of the way, reduce compliance. During this unique gold rush period, entrepreneurs lead the way and you've never experienced this before at this scale. We are the ones to save the day and the government will give us everything we need to go out there.

Those of you that have been in the business for the last five, seven years will know that you have to work quite hard to make a profit and the government are there to get in the way, councils are there to get in the way. This is going to completely change. The government, the councils will get out of the way and allow us to scale our businesses and that will happen for about a three-year period and then we'll head into a boom or a bubble which means there's a boom time, get into that dusk and dials, everybody jumps in, they put their foot down, they accelerate at pace and then they expand and they grow and everybody gets involved and then what happens, we'll have high GDP, the government will come in, they'll start to increase taxation, regulation, compliance and then we go back into the mature market. At the beginning of this, I said success and failure are very predictable.

Hopefully you're starting to see how all of this is very predictable. There is no other way for it to work. The same way that, I can't think of a good analogy but there's a way things have to happen like the natural world.

You have to have summer so things can grow, you have to have autumn so that things can go, recoup and go back into the ground. You have to have winter to freeze things over, you have to have spring to start, to get the green shoots. Things, there's no coincidence to how this works.

Success and failure are just hugely, hugely predictable. To enable you to play the game as we go through this, you've got to understand how this works and then you've got to figure out how to play the game. I'm going to share with you today what's going to happen and what you need to do and then on Monday, I'm going to do a webinar for how to play the game.

So the three phase recovery is what you need to know. What do you need to do? When do you need to do it?

How's it going to play out? I've shared the first few bits of this with you. I'm going to share this model with you so you understand exactly what's going to happen.

Then you need to know how to play the game and there's only five things you have to do to play the game. But there's two things you need to look at. There's two things you want to be looking at.

Well, there's two indicators we want to look at and that is government stimulus and unemployment. They're going to be two key benchmarks and then the two areas of stimulus we want is government spending and activity, so growth and GDP. Government's borrowing and spending and then growth and GDP.

That's all this relies on. People say it's about productivity, stuff like that. It's not.

Productivity is a long term... It's easy to explain it. Going into this, a lot of people were saying the government is just going to increase tax.

They're going to spend all this money, increase taxation and tax the rich. There's no way that strategy works. Those of you that have read that, whoever's written that does not understand what they're talking about.

This is the other thing with news as well. You need to really understand what you're reading because some of this stuff is factual and it's accurate. Some of it is complete trough.

That is an example of when the economy is on its knees, you don't start picking at a carcass. That is never going to work. Tax the rich.

We all move out of the country. We start exiles. It's just going to...

It's last chance to do. What the government is going to do is what's called a long term growth strategy. They're going to borrow.

They're going to invest. They're going to play the long game. When you understand how international investment works and key sectors, you'll know that the UK is...

I'm going on the tangent a bit now, the UK is driven by some areas of our economy which are really on their way out or need to be developed. So we do high end manufacturing quite well, like Rolls Royce and even some of the stuff like Tata Steel. Some of that we do quite well, but we can't compete with some of the other economies.

We might retool that and invest in technology or invest in automation and reduce the cost of that and become competitive there. The two main sectors that we dominate in is finance and most recently, the wave we want to get into, we're actually... I don't know if it's surprising or not, we're actually really competitive as a country at tech.

And I think 45% of international investment into the UK went into the tech space last year. There's a good emerging market there and you're going to see a shift in skill sets. I imagine what you're going to hear, Rishi Sunak will be doing an announcement in a couple of weeks.

It's a pre-budget report and he'll be announcing what his stimulus package is going to look like. I think what we're going to see and this is quite bold, it may not happen. I think what we're going to see in some capacity is a retooling.

So let's say that we do see 20... Let's say we do see a 10% unemployment rate and you've got 5, 10 million people out of work. I think you'll see a retooling.

So the government will release initiatives for employers to recruit and they'll release stimulus to fund training and development. And I think they'll probably force people into either manufacturing and high-end manufacturing or manufacturing with efficiencies, tech and finance. There'll be a retooling, I think, for some of the industries that have been hard hit.

And now there'll be contractions, I think, in retail and hospitality. Anyway, I could bore you all day with economics, but success and failure, when you understand this stuff, is very, very predictable. And I'm going to share with you how this plays out.

There's the three phases. The first is the dark phase, which I shared with you, which is the model that I created during lockdown to explain how we govern our direction through that. And now I'm going to share with you the next two phases.

So the first one is the dark. And the dark phase is where all activity falls off. We're in lockdown.

We've got no idea what's happening. And then we move into dusk and we move into dawn and dials. This is what the recovery curve is going to look like.

And there's a few key reasons as how to capitalise. Let me emphasise and potentially over-labour the point that you will not see this again in your lifetime. This curve, you will not see in your lifetime.

I don't mean this image. You'll see it loads of times. You'll see it on every single presentation I do for the next probably three months.

But this opportunity, this economic position, where you've got this sharp of an economic shock, and then this much of a high government stimulus to pull it around, is the only time you will economically see this in your lifetime. And if you understand how to play the game, you will absolutely capitalise. You'll make all the money you need for your lifetime in the next three years if you know how to play the game.

So that was the spring. We talked about that. That's the dusk period.

We're now heading into this summer recovery period. Now I recommend, I reckon, this is three to six months. I reckon we've got three months of...

So the dusk period is where there's the lights. It's a bit backward, but the lights, we're starting to see more of what's going on. Everyone gets back to business and we can see what the actual scarring has been.

Economic scarring is where we have the bounce backs. Let's say we go into a B curve. You've got the damage, which is the impact, and then the recovery, a B curve, B curve recovery, a B curve bounce back, B curve economic recovery.

Even if we experience that, which we're not going to experience, we wouldn't go back to 100% GDP where we were because of economic scarring. Scarring is where damage has been caused that can't be returned to. And this would be like, this would be the businesses that have gone into administration.

It would be a big section, probably of the high street and retail. We need to see what's going to happen there. Through the three months of summer, we're going to establish that.

By the end of the summer, everything will be reopened and we'll see how many people are actually unemployed, how many businesses have actually gone bust, and what financial position the ones that are still trading in are in. And then we'll have three months of basic, three months of strategy, basically. This will be October, November, December.

And it just so happens, that is what we do on Property Entrepreneur in October, November, December. The whole of autumn is about strategy and this couldn't be timed better. At the end of the summer, we'll finish the summer, we've done our expansion, we've done our sales, we've done our campaigns.

Then we'll lock down, we'll go back into Property Entrepreneur. Autumn mode, and we'll be looking at strategy. Right, what's happening in the market?

Where are the opportunities? Where's the finance? Where are the margins?

Where's the curves? And what will happen here is we'll get ready for Dawn and Dials. And this is one to three years.

The gold rush of 2021 is where you want to play the game. This Dawn and Dials phase of getting back to where we started will be between three and five years, this curve. Now you want to get on as early as possible to this curve.

This is where the money's made. This is where the speculative investment's made. This is where the low competition, high margins are achieved.

The period we want to be playing in is the three to six months of Dusk, which is going to be your speculative investments because you've got a second guess a bit where this is going to go. I've turned some of my development rounds already. So during this, I'm going to do a post next week about it, but if you're not already following me on Facebook or Instagram, join the Property Entrepreneur's Facebook community or Daniel Hill, Property Entrepreneur Facebook page or Daniel Hill or Property Entrepreneur on Instagram.

I'll share this with you as it plays out. We've got this very unique period of this year to get ready and next year to capitalise before the masses see what we're doing, start to get confident and then everybody goes for it. This is the period you want to run into and this is the gold rush.

This is the entrepreneur's gold rush. This 18 month period, you will do better in this 18 month period than you have at any other time because the government will be helping you. Think about during the next 18 months, the government being your cheerleader.

We're going to see, the government are going to make finance available, cheap loans, government guarantees, debt for equity swaps. They're already starting a bad bank to take back some asset collateral. There's going to be huge support in the finance market and everything from planning.

So strategically, the planning system is going to change. They're going to be making it. They're going to be fast tracking some developments through the planning process.

The government are also creating a planning reform. Now, this is really important. This is specifically to property grant.

They're going to actually centralise some of the planning process. So the government aim for 250 to 300,000 houses to be built a year. I'm just talking about property because that's the industry I'm closest to.

This is an example of government stimulus where the government are your cheerleaders. They're getting behind you. They want you to do well.

They get out of the way and they're doing a planning reform where basically, they're going to centralise some planning applications because they appreciate that they want 300,000 houses built, but local councils are delivering 60, 70 at best percent of that. The reason is there's a huge disconnect. Those of you that do planning, we build lots of flats, convert care homes, do industrial, retail, large residential.

And it's an absolute pain to work with the planners. They do everything they can to get in your way rather than get out of your way and help you. Centralising that coupled with the gold rush, coupled with the recession will change planning policy.

When you know how to play the game, that will be huge. And there's some specific strategies in that I'm sharing with the property entrepreneurs at the minute that will be absolute game changers. Much like the B1 to C3 permitted development change of use when that was created as a permitted development, that was a game changer for the people who got in early.

Now, it's easier for a planning side, but you don't buy a failed office block. You buy a residually valued business centre that nobody wants. That was what it was.

So this is going to be huge. There's going to be initiatives to employ people. There's going to be grants.

There's going to be subsidies. There's going to be tax waivers. There's going to be deferred payments.

There's going to be payment plans. This gold rush period of the next 18 months is an absolute no brainer and an absolute game changer. Quick one on property prices because I assume there's some property people on there.

Everybody's asking about property prices. I did a video on this on my Facebook and on the group, the property entrepreneur Facebook community yesterday. Again, reasonably easy to predict.

My expectation was that there'd be a three month drop during lockdown and a three month recovery and we just get back to where we were and the market would return to its previous curve. This was actually in this case incorrect because the government froze the property market. Very savvy thing to do.

The logic being that they prevented the registration of as many down valuations as possible until the market recovered. They did that and then the objective was to... My expectation there was the property prices would come down a bit and the government would expect that they would come down a little bit, then they would go up.

But my expectation is that actually they would come down. So the government froze the market so that it would freeze. It would stop the registration of depressed valuations which stops the dominoes from tumbling and then it would recover.

My expectation is that property prices are actually going to come down. I don't know how aggressively but that they will come down at best, stabilize. I don't think they're going to carry on.

They're going to go up. So far, I've been slightly incorrect because there's been this pent up demand that I didn't consider because I didn't know they were going to freeze the property market. And there's this pent up demand which is driven.

So at the minute, if you've got properties to sell, sell them now because now is the time to sell and then you buy low, sell high. Basic trading. Prices will increase or prices are increasing because the volume of stock, we're down over a third on the volume of stock.

We were saying three month period a year ago. We're down a third because people don't have to sell. There's three reasons why people don't have to sell.

And there's a whole video on it on my Facebook. Go and watch that if you're interested in property. People don't have to sell and you've got three months worth of pent up demand.

So reduced supply, increased demand causes an artificial spike in property prices. And I know people at the minute who are getting out selling stuff over asking price, getting outbid on everything they do. It's not a surprise at all.

However, what's going to happen is as this gold rush plays out, we start to see what impact there's been on the economy. The market will change. People will have to sell and less people will be able to buy.

If people have to sell, supply increases. If less people are able to buy, demand decreases. The supply and demand price mechanism, that's how all pricing works in basic economics.

Prices will come down. It's the only way they can go. Without a doubt, I would put my hat on that's what's going to happen.

And that's what I'm hedging my bets on. So a few things to conclude and a few things to help you on your way. And then we'll take some questions if there are any.

Economically, the two things you need to be looking at. The first is unemployment rate. Where is unemployment going?

The GFC was spiked at about six to seven worst percent and it came down quite quickly to like four. The forecast at the minute at 10 to 14, highest rates that we've ever seen. Without a doubt, this 2020 to 2025 period is the gold rush.

And without exception, recommendation is that you spend this year getting ready, getting liquid, understanding the market, getting geared up. And 2021, you go out and capitalize. You can make more money in 2021 in the one year of 2021 than you will in 10 years after.

Without a doubt, because it's just basic economics. Supply and demand will pull prices down, opportunities to do deals. Property is a long game, so you can hold it for the long term or you can do flips and come in, do the developments, hold them, come out, especially if you're de-risking, like you want to be de-risking through 2021 with either forward funding, if you understand what that is in development terms, build to rent to sell, build to order, deal packaging and construction.

You want to understand how to play this game because it will be the difference between success and failure. And I've talked about them, very, very predictable. Best time in history without a doubt.

So how to capitalize? Obviously, there's only so much I can give you in 90 minutes. Hopefully I've given you the solid insight to the UK economy, the recession and the recovery.

If you actually want to capitalize and you are an entrepreneur and you run a business, whether it's in property or otherwise, on Monday at 1pm, I'm going to be doing a webinar. I'll give you the link at the end and Simon will post it in the comments. If you want to understand how to actually capitalize, I'll take you through that.

The thing is, there's only five problems that everybody's going to have in the gold rush. The reason it's a gold rush is because loads of people either won't come forward and put the air in the balloon or they can't come forward and put air in the balloon because they don't know how to. There's five problems all entrepreneurs are going to have and I'll take you through those.

So on property entrepreneur, we're talking about three levels. You're either a landlord, an investor or an entrepreneur. Landlord is one man band.

Investor is small business. Entrepreneur is big, standardized, scalable, tradable business like PVN UK. Landlord is like your hotdog man.

You know, buys the hotdogs, cooks the hotdogs, sells the hotdogs, cashes up at the end of the day. He's the man standing there. The investor is like your cafe.

Maybe you're standing there on the grill of the till and you're keeping things going. You've got a few waitresses and waiters and people who do your ordering for you and you've got a great little team, nice lifestyle business or maybe you're an entrepreneur. You've got teams and you've got departments and you've got head offices like here and you've got national offices, multiple revenue streams, multiple teams, a big sort of semi-corporate structure.

The way we build these businesses is going through the four seasons. So you've got autumn, which is all about strategy. And this autumn will be the most important ever of how to play the game.

October, November, December this year, we will spend three months on property entrepreneur talking about strategy. In the winter, we then build the business systems and finance in place. The spring is all about warming the tires, onboarding the new systems and recruitment, training up the team.

And then summer where we are now is about racing, it's expanding, it's marketing campaigns, it's sales. This cycle is the only way to build a business. If you were Usain Bolt and you had 100 meter sprints, if you had 100 meter sprints, eight hours a day, seven days a week, 52 weeks a year, you would be exhausted, you would be broken, you would be injured, you would not be competitive.

However, if you race and then you recuperate and then you train and then you test and then you race, it's successful, probably very, very predictable. When you use this methodology, the reality of growing by 20 to 50% is a piece of cake. PPNUK has grown by over 100% every year, year on year.

Property entrepreneurs who are on the program, you'll know many of them. You look at what they're doing with their businesses and in one 12 month cycle, you don't fundamentally recognize it because they work on each of the five problems that entrepreneurs have once a year at the right time and then it enables them to go forward. The five problems you have is a lack of clarity.

How many of you came up to this call? If I said to you, what's going to happen in the economy in the next three years? A lot of you wouldn't know that, you wouldn't have that clarity.

Now, from the Gold Rush report, if you've not already got it, you can download it, those models are in there and you can refer back to that and say, right, well, I know where we are. Lack of clarity is the biggest problem that people are going to have going into this Gold Rush if they want to capitalize. The second is a lack of systems.

We've spent last quarter alone, we spent over £30,000 on new systems for our business because the business has changed, the economy is changing, our focus points are changing. We need to be more efficient, we need to be more effective, we need to be more streamlined. We spent over £30,000 on new systems.

Lack of systems in your business is going to cripple you through this Gold Rush because you need to be able to expand aggressively to get through this and equally in that capacity, you need to have money. There's two types of money you need, which most entrepreneurs don't have, capital to expand and cash flow to keep the business going. You need to have those to make sure you can get through this Gold Rush period.

We funded all of our businesses through the whole period privately with our own money. We've kept every single employee on. So we've got employees all around the UK, sales teams, maintenance teams, finance teams, operations teams, and marketing teams at the beginning of lockdown before they even announced furlough.

We said we're going to keep on every single employee, we're going to put the money in to pay people and we're going to get our business ready to race when we come out the other side. And we've only been out of lockdown four or five weeks and we're absolutely, absolutely killing it to be frank. We're acquiring businesses, we're breaking sales records, we're already oversubscribed for the board for 2021, which is our proper entrepreneur, mentoring program, our top level.

The proper entrepreneur advanced, which is people who do the first year and then move on to the second year. We've had to get, we've sold that out pretty much immediately and we've had to get a bigger room just to accommodate people. So this stuff actually works and the people who are using it will tell you that.

The only way we could do that was to invest the capital, keep the business going, get it ready to race and now move into recruiting people. So recruiting people, training people, onboarding people. We're recruiting people at the minute that we don't even need.

So I had a meeting with our head of property management last week or week before and I said, let's get capacity and expertise we don't need. Let's pay for stuff we don't need because what it will do is it will give us the expertise that we can capitalize on today but it will give us the capacity and expertise to enable us to grow tomorrow and we want to grow aggressively through this period. 18 months of rapid growth, rapid expansion.

You can only do that if you've got the right expertise and the right capacity in the business. You want to be investing in that and most entrepreneurs just don't have the capacity and there's never been a better time. The labour market is going to be phenomenal.

There's going to be reduced national insurance. There'll be national insurance grants. There'll be reduced VAT, reduced corporation tax, deferred end of year payments.

There's going to be so much support for you to do this. You'll be out of your mind not to be making the most of it. And finally, lack of leads.

Most businesses don't have a pipeline of like good pipeline in volume but solid pipeline in value. You know, a pipeline of people who are prepared to pay a good price point. You can make good money out of having that profile of client and they're queuing up to do business with you.

5% of your industry will have people queuing up to do business. They're on waiting lists. They pay premium prices and the sales part is easy for them.

So they can really focus on growth and the back office. 95% of your industry will spend every day competing on price, in a price war, begging for business, running around, chasing people. That's a complete false economy.

Much better. It's hard enough in the back office of a business, let alone worrying about the front of house. You want to understand how to get in that top 5% of businesses.

If you look at our companies, they're all oversubscribed, waiting lists, premium price points. Property Entrepreneur starts at £12,000 and it's been oversubscribed every year since 2013. The board is £22,500.

That's our top level program for private mentoring for a year. It's £22,500, no discounts, no deals, paid up front. And it's oversubscribed every single year.

This year of our board members who've been on it, some of them six years, not a single board member has dropped off. So we don't have any more. We're very limited on places for that.

However, we're doing something at the minute because we've got quite a few applications for that, which the deadline is Friday. But you can only do that if you've done Property Entrepreneur. These are the five problems you're going to face as an entrepreneur.

And it's understanding the blueprint of these to get through it, which is where you'll capitalise. The five solutions which I'll share with you on Monday, the first is strategy. You need to have an absolutely solid black and white strategy, crystal clear understanding of where you're going as an entrepreneur, where you're going as a business.

And when you have that clarity, you can absolutely skyrocket. It takes three months every year for us to build our strategy. It takes three months every year for us to build our strategy.

It's that it should be exactly the same for you. So strategy is crystal clear. Where are we going?

What's the position in the market? What's the curve? What's the price points?

What's the economic impact? What's the distribution of focus? Is it cash flow, profit or asset?

Crystal clear strategy as to where you're going. After you've got that, you then need to have systems. Are you using the free, the entry level, the cloud-based systems that are available to enable you to scale as an entrepreneur?

You need to be streamlined. You need to be leveraged. You need to be consistent in what you're doing.

Are you running around chasing your tail? You've got paperwork, Excel sheets. You're not systemized.

You are not going to be able to scale unless you have those. Systems is the next one. Have you actually got what you need to scale the business forward?

It's very, very straightforward to do this. I'll share that with you on Monday. The next one is finance.

If you're going to go into this, you need to have capital and you need to have cash flow. There has never been more money available, whether it's going to be private investment, whether it's going to be government backed, whether you're going to raise liquidity within your own business. We've raised already well over half a million pounds getting ready for this gold rush.

We're in the process now today of raising another one and a half million just out of our own portfolio. So we're liquid so we can do deals. That's on top of the government grants that are going to be available, government finance, waivers in national insurance, deferments in VAT.

You've never seen an opportunity like this finance wise. You need to understand how to capitalize. When you've got money and you've got a strategy and you've got systems, you can look to recruit.

The labor market is going to be so hot. There's going to be cheap expertise or there's going to be the budget of what you had, but you can now get more qualified people for the same money. There's going to be people out there looking for jobs.

There's going to be people who've been in careers. We were talking about somebody this morning who's been working for a really established company, got a really solid track record, A grade student, but has lost a job due to COVID. So made redundant, not job hopping, not looking for change.

They're a great recruit. They've got solid track record and we can now recruit them on favorable terms at favorable rates because we understand how to use the market. There's going to be such opportunities in recruitment.

There's going to be government initiatives and grants to help you financially, but there's also going to be a huge amount of great labor in the market. Those of you that are in business will know that for the last three years, it's been very competitive in the labor market. We've had the lowest unemployment rates ever and the lowest unemployment rates in four years and the highest earnings in a decade.

That is not a good place for entrepreneurs to operate. Going into the gold rush absolutely is. And then finally, when you've got all of those things, you understand what you're doing.

You can set up for success. You can put a strategy in place and you can focus on sales and marketing. And again, when you understand how to play a game with this, you can make this really easy for yourself.

You can have clients line up to pay premium prices rather than running around and trying to be the flavor of the day and begging for business at every turn. So join us on Monday. I'll take you through those.

Hopefully, step by step, I've given you enough insight in what is going to happen and you now understand what is happening in the UK economy, what is going to cause the recession and what the recovery is going to look like. You can now start to put this into practice, understand how to play the game and overcome these five problems that every single, or now the focus needs to turn to all these five problems that every entrepreneur in the country is going to face, every business is going to face and we can overcome those when you understand what to do. Success and failure are both very, very predictable.

The gold rush, without a doubt, 2020 to 2025 will be this period where we go back to recovery and 2020 to 2021 is where you want to be capitalizing. Mastering the market, understanding the five problems, putting things in place and over the next 18 months, capitalizing better than ever, making more returns than you will in the next 10 years and it's just a no-brainer. This is so clear what's going to happen.

My only advice to you is that you take this on board, you understand that curve and now you build a business to actually capitalize. On Property to Entrepreneur, we take our clients through a 12-month cycle. Property to Entrepreneur has been going since 2013, it's oversubscribed every year, it's the UK's highest rated business and property training program.

Every single delegate from every single workshop, every single month this year has rated us using NPS scoring world class, which is, there's not many people who can say that and our last workshop, our last workshop, sorry, our last three-day event, we were rated 9.9 out of 10 by every delegate, every question, every feedback. 9.9 out of 10 for an event that's three days and cost £3,000 is a phenomenal score. So the only way that we were able to do that is have this clear blueprint.

If you like the clarity you've got today of how the market's going to play out, you can get exactly the same clarity on Property to Entrepreneur with the 12-month cycle broken into quarters, broken into months and then there's an individual blueprint for every single thing you need to do.

[Simon Zutshi] (1:19:20 - 1:20:52)

Fantastic. First of all, Dan, thank you so much for sharing so much valuable information. I'm sure everyone, guys, we literally got massive benefit, just type in VALUE and I'll share that with Dan.

The link is obviously on the screen, so I recommend, it is case-sensitive, so Bitly links are case-sensitive, so it's 2021GRGOLDRUSH, so maybe take a screenshot of that or take a picture of that. I've actually shared it in the chat box as well, so you can click on the link in the chat box and actually go through and register. Dan will give you more in-depth detail about this and what an amazing talk.

And I think what you said, Dan, is very true. For many people, this is a scary time, this is an uncertain time, a lot of people are going to be frozen, but those are people who recognize what's happening and understand actually it's going to be an incredible growth opportunity with the government being more lenient, I think there's an incredible opportunity. So anyone who's got a normal regular business or indeed a property business, I'm sure will have got massive value from that.

And by the looks of it, all the people who've typed in, loads of people also got huge value from that as well. Dan, let's come and answer a few questions. If you've got any questions for Dan, do type them in and we'll cover just as many as we can.

So first of all, Andrew, I think it's one of the things that you said, Dan, you just wanted clarification. He said, could you clarify, please, small business contributes, is it 47% of the GDP to the UK?

[Daniel Hill] (1:20:53 - 1:21:16)

No, I can't remember the exact stat, but 99, SME markets, so small and medium enterprises contribute 99%. I can't remember if it's employment or GDP, but basically it's by far the largest contributor to economic activity. It's not like the government can let SMEs fail.

SMEs are the ones that create the business, create the jobs and drive that activity.

[Simon Zutshi] (1:21:17 - 1:21:38)

Yeah, fantastic. OK, excellent. A couple of people asking about, they want to get the download, I guess on this webinar on Monday, you give people access to that again so they can download that.

If they've missed that, they can go and download it. So I guess the thing is, guys, come and register for the webinar, get a bit more in-depth detail about this and Dan will give you access to that PDF. Dan, is that a good idea, Dan?

[Daniel Hill] (1:21:39 - 1:22:07)

Yeah, absolutely, yeah. Come on, if you missed the link and you're not written it down, join us Monday. I think it's probably hyperentrepreneur.co.uk forward slash goldrush, but join us on Monday and I'll take you through the next phase. Monday is not actually included in the report. The report is the economics of how to, the economics of what's going to happen. Monday is about the actual blueprint of how to, what are we actually doing in our businesses now strategically to capitalise on this.

[Simon Zutshi] (1:22:07 - 1:22:17)

Right, fantastic. OK, that's awesome. Andrew's saying, I think it's employer, not GDP.

I think it was a verbal typo. Yeah, OK, no problem. Thank you, Andrew.

[Daniel Hill] (1:22:21 - 1:22:53)

The 47%, if it was a typo, I didn't reference the percentage of SMEs on my slides. I said that when I was speaking, that the typo was 47% of the private sector are out of action. What that means is 47%, if you add up all the people on furlough plus the self-employed equivalent, that equates to 47% of the UK workforce, the private UK workforce.

So 47% of people that are employed by any business are currently on furlough, either PAYE furlough or the self-employed equivalent.

[Simon Zutshi] (1:22:54 - 1:23:03)

That was the 47%. Fantastic. A question from Darren, interesting one.

He says, do you think the government will reduce stamp duty to stimulate the property market?

[Daniel Hill] (1:23:04 - 1:23:22)

I think they will, yeah. But not for a while. They'll wait to see it all play out.

What'll happen first, I think, is that the finance market will lock up. We're already seeing it. Loans value is coming down, rates increasing.

Valuation's a bit of a mixed bag at the minute, but I do think they'll reduce stamp duty, yeah.

[Simon Zutshi] (1:23:22 - 1:24:42)

Great. So we've got lots of people saying value. We've got Swati, Chris, Darren, Sophie's saying great value.

Barbara's saying absolutely fantastic. Really enjoyed the content. So useful.

Excellent. Chiti's saying value. Farrah's saying thank you.

Anne says, such an interesting session. Economics with clarity. I'd agree, Anne.

Dan's got a really good way of explaining these things. That's amazing. So any other quick questions, please type them in.

Dan, I'd just say that I think you're absolutely spot on. I think that there is a tremendous opportunity for people, anyone in business, no matter what your business is. You might need to pivot.

You might need to change. For example, we do live events. We've had some massive change.

You do your live training things. And we've put everything online. Everything's virtual now.

We want to get back to live whenever we can. And there's news about going back to one meter plus. Social distancing is more feasible than two meter, which just doesn't really work for events.

But even we've adapted. We're doing a lot more online training. And I think that people need to understand that life is going to be a little bit different.

If you always do what you've always done, it may not be appropriate for the change you want. So keeping up to date, plugging into people like Dan is a great way to keep up to date. So Dan, with that in mind, can you just remind people what your social media, so how they can find you on Property Entrepreneur, those kind of things, please?

[Daniel Hill] (1:24:44 - 1:25:14)

Yeah, absolutely. If you want to come to the community, which is where we talk about these things, four and a half thousand Property Entrepreneurs in there. So the Property Entrepreneur community is a Facebook group.

You just have to answer a couple of questions and we'll let you in there. And then if you follow me, Daniel Hill on Facebook is my personal profile or Daniel Hill Property Entrepreneur is my page. You get bonus content on that.

And Instagram is PropertyEntrepreneur underscore. Those platforms are the best ones. So I'll share this stuff on a sort of, definitely on a weekly basis, but every other day at the minute, I'd say.

[Simon Zutshi] (1:25:15 - 1:26:14)

Fantastic, awesome. So Dan, I think that's pretty much it. I would just encourage everyone to go and register for this webinar with Dan.

If you've relied on what Dan was saying, you want more of this kind of stuff, go and register for the webinar. Now it's on Monday. It's at 1pm, 1 till 2, so you've got a bit of time for questions as well.

So go and register for that. In the meantime, Dan, I'd like to say thank you so much for coming and being our first speaker on our day about how to future-proof your business and really power through the recession. I know you're hoping so many people do that as part of the PropertyEntrepreneur program.

You're doing a great job, Dan. So thanks so much for coming on board. And just a clarity, Sarah's saying PropertyEntrepreneur doesn't teach property.

No, it doesn't teach property. It's for, you know, Dan sends people to us for mastermind if you want to learn property. PropertyEntrepreneur is people who've got a property and they want to scale it up to the next level and become more of an investor rather than a landlord.

I'd highly recommend it. Go and check it out. You can check it out on the PropertyEntrepreneur Facebook pages.

Anyway, Dan, any final words you want to share?

[Daniel Hill] (1:26:15 - 1:26:26)

No, I think I genuinely think you won't see this opportunity again. I think the next 18 months is going to be a game changer. And thank you very much for having me today.

I wish you the best of luck with all your other speakers today.

[Simon Zutshi] (1:26:26 - 1:27:40)

So I hope everyone enjoys that. Thank you. And I think you're right there.

I think people really need to, you did a great job explaining that. And you did say, if you don't, but as you say, you can't overemphasize enough. This is going to be a unique historical time for business owners.

And either they're going to learn how to adapt and they're going to thrive or they're not going to make it through. And I agree with you, this opportunity, this time is never, ever going to happen again. So guys, this is a really time, this is not a time to think, oh, yeah, that's interesting.

I'll do something about it. No, Ty, you want to dig deep on this. You want to get as much information as you can.

You really want to make sure you are prepared because there's never going to be an opportunity like this again. And as Dan said, when you hear the negative news and there's a lot of negativity and we're not trying to take anything away from the severity of the situation, but you can choose whether you buy into the negativity and that will influence the way you think that will influence your behavior and your actions, or you can actually recognize it as good news because it's explaining just how much opportunity there is. And I think mindset is so important when you do this, guys.

So Dan, thank you so much. Look forward to speaking to you very, very soon. And everyone else, thank you for listening in.

[Daniel Hill] (1:27:45 - 1:28:10)

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