**PPN Session Two 06.03.2024**

[Speaker 2] (11:58:19 - 11:58:22)

We're going to be live on stage in two and a half minutes.

[Speaker 13] (11:58:54 - 11:59:05)

Ladies and gents, this is your two-minute warning. Grab yourselves a drink, finish your conversations. We're kicking off in two minutes' time.

Please take your seats.

[Speaker 17] (11:59:49 - 11:59:49)

We'll be starting in two minutes.

[Speaker 13] (11:59:54 - 12:00:02)

This is your one-minute warning, ladies and gents. This is your one-minute warning. We're live on stage in one minute's time.

Take your seats.

[Speaker 2] (12:00:16 - 12:00:25)

Ladies and gents, this is your 30-second warning. Get ready to put your hands together. We're live on stage in 30 seconds.

[Speaker 14] (12:00:55 - 12:01:11)

Ladies and gentlemen, property entrepreneurs, please clap your hands. And give a huge round of applause and welcome to the stage, Rachel Davies!

[Speaker 2] (12:01:17 - 12:06:49)

Well done. Thank you for that, Grant. That was amazing.

He was stood up and everything. Did you have a good break? Did we all have a nice piece of cake?

Did everyone enjoy the fact that it wasn't all healthy today? I bet you did. Fantastic.

So, who's looking forward to session two? I said, who's looking forward to session two? Come on.

Woo! Good. Stay with me.

Stay with me. It's all about money today. You need to keep your attention.

Are you all with me? Good. Stay here.

Stay here. Right. Just to round off that amazing session, who got value from the business model?

Hands in the air. I found that game-changing when we first started Property Entrepreneur. It really changed things for me and Paul, so hopefully it's going to do the same for you, too.

Just to round that off, Josh is doing mid-week mentoring in week three on business modelling. So, this is where he's going to help you finish off your business model and he's going to answer any questions you've got on it. So, please make sure you tune into that live so that you can ask him some questions because that business model is absolutely crucial to the success of your business this year.

Are we all going to tune in? Excellent. Excellent.

Right. I just wanted to talk to you about Supper Club before we get into session two. Now, we know the theme of Supper Club is to many heads are better than one, come with a problem and leave with a solution.

I did the February one. I found it really, really useful. Claire said this once.

I remember you saying, when you get entrepreneurs in a room, that one thing they're really, really good at is solving problems. So, I found that Supper Club has been absolutely fantastic and it's been over-subscribed, hasn't it, because it's been so popular. You're all obviously getting a lot of value from it, which is great.

So, we've put on a new Supper Club. This is the last and final. Am I right?

Adam's nodding his head. It's on the 30th of July. So, on page 18 in your workbooks, there's a QR code.

Book onto it right now. It's first come, first served. So, get yourself a space on that.

We've got 10 spaces available, lots of opportunities. So, get yourself booked on it right now. And then the PE Accreditation this month.

How are you all doing? These were the milestones that we want you to reach. And the reason we want you to reach these milestones is so that you have the best year on record.

Now, how have you all been doing this month? Have we all been making a concerted effort to hit our milestones? Yes, you have, because Adam put a post in the group, didn't he, to say, for two weeks running, you've done 100% of your Sunday sanity, all of you.

Yeah, well done, everybody. Well done to you all. But the bar has been raised now.

So, you need to keep coming in with that level of commitment, and you will get your accreditation, your mark of entrepreneurial quality. We like to give you a leaderboard, or not a leaderboard here, but just to show you that we're tracking it. Lots of greens on this screen, which is absolutely fantastic.

A few ambers. For those of you on a few ambers, it's just that you're still in the running for getting your mark of entrepreneurial quality. So, just keep going with your Sunday sanity and keep it up.

Yeah? Right, the next session, session two. Are we looking forward to session two?

Yes, we've got to keep this energy going, yeah? Who here likes raising money? Who likes asking for money?

Who else other than Grant likes raising money? Give me a show of hands again, I missed that. Yeah, fantastic, some of you.

Who feels a bit uncomfortable about asking for money or raising money? Or who doesn't know how to do it at all? Yeah, a few of you in the room, yeah.

We're all at different levels, aren't we? This morning, what we've done was talk to you about how to make a profit, yeah, and get yourself in the 1% club, and now it's time to go to the next part of the journey in the finance cycle, which is raising money. Now, at some point in everybody's journey, we will run out of funds and we'll be faced with the opportunity where we need to raise them.

And what happens for most entrepreneurs is that they don't do this at all. They don't understand it, they don't know how, so they miss the boat and they miss out on all of these opportunities that come their way. And they use their own money and they invest their own money in their business and it takes a long, long time to achieve success.

What we want for you is to understand that money isn't a limiting factor, and when you reach a point where you run out of funds, that you are confident that you can raise money. And in fact, there's never been a better time, has there, to raise investor finance than there is now, because banks are making things difficult, bridging finance is painful, there's never been a better time to attract investors, interest rates are high, and there's low saving rates out there, so it's very, very attractive for investors to come to you. Where we want to get you to is a place where you understand that to be a successful entrepreneur, you need to use other people's money to make money.

Sound good? Absolutely. So, shall we teach you everything you need to know?

Yeah? So, please put your hands together and put a massive warm welcome together, while I invite your head trainer, Mr Adam Goff, to the stage. Give him a massive round of applause.

[Speaker 1] (12:06:58 - 12:24:50)

Good afternoon. Good afternoon. My slides are out of sync.

Who's houses are these? These are very snazzy. Are they Michael Taylor's?

Very good. Okay, well, first of all, thank you very much for the birthday well wishes. You got me with that one, Josh.

It was Josh's birthday, like 10 days ago as well, but the 40th, I guess that's it, isn't it? It's the big 40s. Thanks very much.

That was really good. And I just want to say, yeah, I mean, Bianca runs the show, so I was really just throwing her under the bus there, which is a really good example of leadership, guys and girls. Just throw your team under the bus.

He's taking notes. Yeah, very good. So, yes.

So, I just want to say what a great session that was in session one. Do you not agree? Yeah.

Finance is confusing, it is difficult, it is hard, and Josh absolutely makes it simple. Like, he makes it so layman's can understand. You know, finance is not my strong point.

I've had to learn it as an entrepreneur, but even I, like even when I'm giving these sessions, I'm always a little bit shaky on finance, because we're all like that. Because unless we are the numbers geek, you know, unless we are steels, which Josh is, he's a steel masquerading as a blaze. So, I would say, like, really go through what he taught you there, because these are the fundamentals of actually how we make money.

They really are that important. And next year on Advance, we'll literally get you to write that business model in the room. So, this isn't the only time you're ever going to hear us talk about business model.

Business model, we actually use it like three times on Advance between the start of the year and now. So, it's like a really important asset. So, I'd really recommend you tuck into that.

I did have some questions and just a bit of a sentiment I wanted to share on the financial fortress. I think Josh, you know, speaks for himself as to why you should do it. A couple of people have asked me previously, and someone just asked me in the breaks, like, I'm not making 100K.

Is this for me? It's like, no, it probably isn't. Unless you've got a lot of money, like you've got some wealth from somewhere else, no.

You know, it's probably better that you actually just focus on getting to that 100K point, and then let's talk about doing the financial fortress. Like, you're going to get value from it, but it's just probably not the right one. And if you're in a situation where you're like, I want it, I want the five grand, but I need to spread the payments, it's probably not for you either.

You know, at the end of the day, it's like, there's a very specific reason why the bar is set at that level, because we need to make sure the right people are actually on the training. We just want you to get the most value from it. It's just as simple as that.

So, like, from my side, obviously you heard Josh's story, but ultimately, this is what I was focusing on. It took me about eight years. You know, I didn't have a blueprint.

I just knew that I wanted financial freedom. I mean, just out of interest, who here wants that financial independence? Good, because that's what we are making Property Entrepreneur all about.

I mean, this is really like our top of the pyramid. It's where we want every single client to get to. And, you know, for me, like, ultimately, I just did it by living really frugally and having my own business.

From the age of 21, I started my own company, and I always monitored my monthly spend, which I'm going to talk to you about after lunch. And I tried to always, like, minimise the bottom line, as in, like, costs, and just maximise the top line revenue. And that's all I did.

I did that for, you know, for now coming on two decades. And my big focus was to buy these properties, right? This is why we're all on Property Entrepreneur, because either we're in the property business, or we want to have a property financial fortress.

And I had these, like, because I didn't have a blueprint and clarity and no one had looked at it, I thought I needed seven houses in London to get where I really wanted to get to. And in fact, I didn't. I needed three.

And it was only when I sort of went through the financial fortress blueprint, and in the middle of COVID, when I thought I was going to lose everything, so I was like, right, okay, let's get comfortable with losing everything. What does my balance sheet look like? I realised that I actually did have enough to retire.

I did have enough for my financial independence. So the whole reason for the fortress is a lifeboat for when you either want to exit, or you have to exit, because of COVID, because of illness, sickness. Like, goodness me, we're all touched by things all the time in our lives.

Parents, siblings, spouses, it's horrible, but it's life. And this is why we need this. And that's why it was a game changer for me.

I was able to just, you know, I rescued the business, and then I sold it as quick as I could, because I was done. And I was able to do that. And then I was able to go and tick off my bucket list, live the life that I wanted to live for the last three years.

And obviously, you know, now I'm back in the game. But that was just my story. So I just wanted to share that with you, because if I didn't have that, if I didn't have the clarity, I never would have had the confidence to sell the business and know that I had enough.

And that's what it's really about. It's about clarity. And when I say what it's about, I mean, actually, this is what I did for my birthday.

As my reward last year, I took my whole family to Dubai for a week. And it was an amazing trip. I haven't been married, and I haven't spent loads of money on a wedding.

So I thought I'll just spend loads of money on a family holiday instead. And this is the reason why I think we all do this, isn't it? People we love, to make memories while they're still around, while everyone's happy and healthy enough to enjoy life.

Isn't this what we're doing it for? And this is why rewards are so important. And this is why having the ability to do things like this, this is why we're all here at Grafton.

Because not many other people are. Everyone else is out getting drunk on the weekends, and we're thinking we've got to do our property entrepreneur homework. That's the difference, and that's what we're all doing it for.

So this meant a lot to me. I'll be honest with you, I was in tears at certain points of it. I was very emotional, which has made me very happy and proud.

So hopefully you can understand why we think these things are so important. And I remember when I did retire and start showing off on Instagram for ages, Chris Moss said to me, he said, the best thing about this, Adam, is that you're doing it all living off the steam. He was like, the thing that inspires me about what you've done, and Chris has now completed his, is that you're literally, the money you're spending is just basically interest.

It's return on investment. You're not having to work for this money. It's not like you're spending your pot of gold and it's going to run out.

And living off the steam is what it's all about. So yeah, and I found that when I did have this freedom to live off the steam, loads more opportunities came my way. It was just complete, like all of a sudden everyone wanted to talk to me, I could have done a million things, and I got to choose what I wanted to do, and obviously I've chosen to fully commit to this, and this is a dream come true for me as well, standing on stage doing this.

So this is what it gives you. It's like you have to work bloody hard to get there, but when you get there, you've really broken through. So this is what all of our blueprints give you and what I want for everybody, but I just wanted to sort of finish by saying, well, frankly, what an amazing job this guy's done.

I thought I was Jack the Lab when I did it at 37, and the fact is he's done it the hard way, and when I say the hard way, I mean no one's helped him. This guy has done it from a standing start. He joined Property Entrepreneur with nothing, and he's literally grafted, followed the blueprints, knows it off by heart, and it makes me tremendously happy that he was able to achieve this.

He is only 33, and it really is often understated, but he really is a tremendous young man, and because of that, I'm going to invite him into the Property Entrepreneur Hall of Fame. We're going to do a podcast on him retiring at 33. I want everyone to give Josh a massive round of applause and congratulations.

It's just bloody impressive. I just think it's very, very impressive, and I'm hoping that this is going to be younger. One of the guys on my mastermind is in his early 20s, and he's not far off, and the bar just keeps getting raised, so enjoy it while you can, Josh, because someone's coming for your title.

It's very, very impressive, and we're going to record our podcast tonight, so I'm looking forward to that. This is what it's all about. Whether it's for now or whether it's for next year or the year after, stick this on your vision board and make sure you're paddling in that direction.

For those people that are doing deals this year, don't wait. If you're in a stage where you're doing deals and you're investing, don't wait. Don't buy three deals and then realise they were the wrong deals because they didn't fit in with the financial fortress blueprint.

You might have to invest a little bit of money now. It might seem like a lot of money. You think, oh, I'll just get a couple of deals, then I'll pay for it.

It's like, well, actually, probably better to get some strategy before you start. Rachel talked about landing planes, and I just really want to drill this home. I'm definitely feeling under pressure.

I'm working really hard, but I'm making progress, and hopefully you will feel like that. You are working hard, but you're making progress, and the end of March is coming up. It's coming on us, and we want to have landed planes by the end of March.

We don't want to be these things dragging on, and you don't want to be writing systems in July. You've got to really work hard these next four weeks to try and put this to bed and get it done. That's really the sentiment, and that's what it's going to be about in the Facebook group this month is people celebrating planes they've landed, things they've done, completing winter hit list tasks, seeing that scorecard go up.

These are the things we want to hear from you about this month, and where you're stuck, we want to help you. That's my sentiment on that. Moving on.

This actually is a new little segment that we've put in, and it's to do with mindset. A lot of things we teach are blueprints, things you can follow, step-by-step guides, and they'll get you the results, but that is only part of the equation when it comes to success. We need you to change your mindset.

Lots of the stuff we layer in is around mindset anyway, but there's a specific set of these sections you're going to get over the next couple of workshops which help you rewire your brain. We all know, and hopefully you do understand now, that the brain is malleable. It's changeable.

It's not fixed. You grew up with a certain set of values, a certain mindset, but those things can be changed. Do we agree?

They can absolutely be changed, and if you don't agree, then you're in the wrong room, because it's all about mindset. If you think you can and you think you can't, you're probably right. If you're sat there thinking, no, this isn't true, then you need to change your mindset.

When I go through these sessions, what I want you to do is take notes, but make sure you add it to your action list to go away and really think about them and challenge yourself on these things. Do you really believe this to be true? I can say it now, and you'll hear it, and you'll get about 10 or 20% of it, but only by you studying it and re-looking at it and really making sure you believe these things will they actually become your reality.

This is why reading books over and over again is so important, because you'd be better off just picking 10 amazing books and reading them 10 times than reading 100 books, because you need to read those books enough that you literally can recite the words and believe them, and that's what this is. It's all about wealth. It's all about making money today.

This is rewiring your brain around wealth. You've probably heard this quote, but this is really fundamentally what it's all about. Wealthy people stay wealthy by living like they are broke.

Broke people stay broke by living like they are rich. There's quite a lot in that statement, but really, bless you, the thing you need to take away from this is that wealth creation, which is financial fortress, how much you are worth, is not about how much you make, it's about how you spend, your spending habits. Your spending habits is what makes you wealthy.

Yes, you need to bring money in, but if there's a hole in your bucket and the money's going out, you'll never ever achieve any sort of net wealth. I'm going to run you through some top tips when it comes to rewiring your brain for wealth, which we'll talk around that point. The first is just understand this difference between being rich and being wealthy.

Going back to the quote, obviously we use these words, they're interchangeable in society and they're quite symbolic. The way we use these words is that rich relates to income. We call rich people, it normally is to do with income and how you look.

If you look rich, it means you're spending a lot of money. You've got a fancy watch, you've got a big house, you've got a private jet, you've got designer clothes, whatever, designer shoes, red soles on your shoes, which means they're ten times more than shoes without a red sole, for the ladies in the room that know about Louboutin. These things make you appear rich, but that means you've spent the money to get them, which means by default you are less wealthy because the money you have in your bank account has gone down.

Wealth is all about saving. It's about every month you getting wealthier, your balance sheet going up. It's actually the ability to spend less than you earn every month.

That's how you get the compound effect and the Warren Buffett effect, which is probably in part why he's made so much money. Obviously, he probably would have been successful if he'd spent a lot more than he spends, but if you've seen the documentary, which is the book club today, you'll know that he lives a very frugal lifestyle. This is just a really key thing that I really want to drive home.

Has everyone got that? The second point is wealth versus relative wealth. It's not how much you make, it's how much you keep.

It doesn't matter if you make £100,000 a year or £1,000,000 a year. Someone who makes £100,000 a year can be relatively wealthier than someone who makes £1,000,000 a year, and it's to do with how much they spend. If you make £100,000 a year and you spend £50,000, you have £50,000 spare.

You're increasing your net worth by £50,000 a year, or you can spend it on things. If you're making £1,000,000 a year, but you spend £1,000,000 a year, then you are not getting wealthier every year. You might say, well, it's all right if you make £1,000,000, but if, like my friend who's an investment banker, he makes over £1,000,000 a year, and he's stopped now because I've said no so many times, but he often used to ask me to borrow money.

Why? Why do you think that is? Because he's an investment banker living in Surrey.

He wants the bigger house, the bigger car, the kids are in private school. His wife likes to spend money. It's like the classic stereotype of what success looks like, and he's always short of a bubble tea.

It's ridiculous. I'm like, Bobby, I don't earn anywhere near as much as you, but I have a lot more money. How is that?

It's wealth versus relative wealth. The key really is to keep your overheads low, certainly until you break through to a point of financial independence. The reality is you need to spend less than you earn.

Mike Tyson is the great example. He made $700 million and blew it all and had to start again, and now he's a new man. He looks like he's completely changed and he's doing really well for himself, but that was an expensive lesson to learn.

You don't have to go through all that. You just need to keep your overheads low, and the hardest thing in life is to earn more money and not keep increasing your overheads. I'm not saying live like a door mouse.

I'm just saying if you really want to build a financial fortress in financial independence, you've got to keep your overheads low. You need to have a high expertise in wealth. You need to make it your mission to understand everything that we're teaching you today.

Liam, you're not going to get wealthy if you keep looking at your phone. You need to learn everything we teach you to the point where it just becomes second nature. Billy's session on how to draw money out of your company tax free after lunch, you need to study that.

This needs to become your hobby. It's like how can I spend less money and keep as much of it as possible, like tax free incentives, putting things through the business, paying your partner out of the business, rather than all the little tips and tricks we're going to share with you. You need to become an expert.

That is your job. You are the arbiter of your own wealth, and understanding the compound effect. This is the eighth wonder of the world.

It's what I described. Do you remember in autumn when I talked about the sage and putting rice on a chessboard? One piece of rice, two pieces of rice.

By the end, it was more rice than was in the whole kingdom. You need to understand this. This is a reminder just to go back and look at that.

There's compound wealth calculators online you can do. I've got a little crypto group. Who here's got Bitcoin, by the way?

Good. We've all got a smile on our face. Loving it.

Unless you bought it yesterday, in which case you're still nervous. I've still quadrupled my money, pretty much. Show off.

I don't know why I started thinking about Bitcoin, but it just popped into my head. Anyway, the point is that we need to ... I know, because in my little crypto group, we were talking about the compound effect and what happens over 300 years.

It is scary. If you put 50 grand in a bank account and let it compound for 300 years, the next five generations, they're never, ever, ever, ever, ever going to have to worry about money. We just don't understand it.

Really understand that, and it's a little reminder. That was my little segment on rewire your brain. Has anyone got any questions on that?

Any thoughts, questions, observations? Yeah, Jamie. We'll get a mic for Jamie.

[Speaker 9] (12:24:56 - 12:25:25)

When you're talking about relative wealth and you say that quote, it's like, live like you're broke. Would you say that's also relative? I'll give an example.

Who was it you mentioned spent 700 million? Mike Tyson. Mike Tyson.

He obviously earned 700 million to spend, whereas if he spent 10 million a year, in my mind, that's him living like he's broke. I just want to check that I'm on the right lines.

[Speaker 1] (12:25:25 - 12:26:44)

Yeah, definitely. Yeah, exactly. A couple of things there, which is the whole ...

The relative wealth point is basically how much money have you got left? Everyone focuses on 700 million, but that's not the whole picture, is it? It's 700 million minus your living costs.

Like my investment banker friend, if he halved his living costs, he'd have 500 grand a year. At the time, I was probably making 300 grand a year, and I probably ... I was living on 50 grand.

I had 250 grand a year net, and he had minus net, so relatively, I was wealthier than him. If you put me and him in an investment banker competition, you know, at the dinner, I'm only earning 300, and he's earning a million. Everyone thinks he's a genius.

That's the thing. I think that's the key point with it. Then living like you're broke.

Yeah, I'm really not necessarily advocating that everyone lives in a narrow boat and off 10 grand a year. I think it's just understanding that the real wealthy people are normally very good at tearing the tap on, but the real wealthy people really understand the value of money, and I think it's just not losing the value of money. I think it's just understanding that frugality is part of the game.

Has that answered it? Yeah. Yeah, go.

[Speaker 3] (12:26:46 - 12:27:08)

Just from the book, the Christmas December book, The Millionaire Next Door, I think that puts you really well in regards to the calculation around your income and net wealth. Are you a positive accumulator of wealth or an accumulator of wealth? That calculation brings it in to define that quite easily in terms of your relative wealth.

[Speaker 1] (12:27:09 - 12:27:18)

Yeah, that's a good point, actually. I haven't read the book. I mean, I literally love that book.

Yeah, because he talks about are you ahead or are you behind where you should be? That was right, wasn't it?

[Speaker 3] (12:27:19 - 12:27:30)

Yeah, it's based on your age and your income and your net assets, and there's a calculation then. Because if you earn a million a year or if you earn 100,000 a year, then it'll say whether you are a positive accumulator of wealth or not.

[Speaker 1] (12:27:30 - 12:27:31)

Yeah, that's quite a nice model.

[Speaker 3] (12:27:32 - 12:27:39)

So yeah, if anyone hasn't looked at that, I think that's quite a good place to judge where you're at based on your own personal circumstances.

[Speaker 1] (12:27:39 - 12:27:41)

Yeah, no, I agree. It's a great book. Yeah, Sam?

[Speaker 15] (12:27:45 - 12:28:03)

Sorry if I missed it. No, not at all. You say that you work to certain percentages.

So let's say, for example, you earn 300,000, but then it went to 3 million. Do you still aim to spend X percentage? So it's saying you're relatively broke, but you're still improving your lifestyle.

[Speaker 1] (12:28:03 - 12:36:59)

Yes, I mean, the answer to that question is yes. Actually, I do that after lunch. When we do personal cash flow management, we talk about percentages, and it is a really useful indicator.

For example, when Dan was weighing up whether to buy his Rolls Royce and stuff like that, he was like, you know, it's a lot of money. It's like, I don't know, I think it's three or four thousand pounds a month. But to him, it's like single digits of his earnings.

So it's like when you look at it in the context, it's nothing. But for him, you know, he's Mr. Frugal, so it's very hard for him to kind of unlearn that frugality. That's like one of the challenges.

If you are super frugal and you do start making it, you don't ever want to spend it, because you're used to being like a doormouse. But yes, percentages is a very good way of doing it. And it keeps you within the rules.

It's like Joshua. Give yourself a set of rules, bless you. If you never have more than 50% of your income on your house, that's a rule you've set.

Then you can afford the mansion if you can afford it within 50% of your income. So it's nice to have these little rules. Good.

OK, so let's talk about fundraising. So we've got the rest of this session all to do with fundraising. And yes, ultimately, it's very rare that anyone can achieve any level of success, I think, without borrowing money.

I think that ultimately we have like a few, like three forms of leverage in the world. There's like labor leverage, which is getting other people to work for you. There's tech leverage, obviously, where machines can do it for you.

And then there's money leverage. And as entrepreneurs, we want to become highly lucrative, highly leveraged. So one of the things we have to leverage is money.

And I'm not saying that I'm the bee's knees about raising money. In fact, I probably raise a lot less money than maybe a lot of people in this room. But I have raised money, and I've raised money for my business, and I've raised money to invest in properties, and both of which have worked.

The danger is you might be sat in this room with a bit of money and think, actually, this doesn't apply to me. I don't need to raise any money, or I don't want to raise any money. Because raising money is uncomfortable.

It's actually uncomfortable because it's a sales pitch. And people hate selling, and you have to put yourself out there, and you have to get rejected. But it doesn't have to be one-to-one.

It can be obviously done through institutions and things like that. So I just want to run over this session and make sure that you understand fundraising enough so you don't just leave it alone because you're scared of it or you don't want to do it, and you've got a good enough overview to understand what the different types of funding are and when they might be used. So some people in here will be very experienced at raising money, in which case this will be a good refresher, or there might be things in here which you haven't come across before or you just needed to hear again.

And other people in here might have not raised any money and be right at the beginning of their journey, and you know what? You'll be taking notes furiously, and by the end of this, you'll have a really good overview. But ultimately, everyone, I think, in their journey requires some type of funding, and that's what's going to get you to your destination quicker.

So these are the different ways. First thing I will say is that finance is a moving target. It's always changing.

Every year I have to update these slides. Every year it changes. These times specifically are quite unusual, challenging, and it's even changed from when we did the blueprint in the summer.

Wouldn't you agree? Things have actually changed, and it's been, what, six months? So everything's shifting.

So that is kind of good and kind of bad, because it means if you're quick, when there's an opportunity, you can take it. If you're slow, you'll miss it. But then equally, there should be another opportunity coming around the corner.

So that's what I will say. And that, you know, when we think about the bounce-back boom, right, we're definitely not in a situation where it was like free money. Like a few years ago, it was like free money.

Coming out of lockdown, there was loans and very low interest rates, and there was just so much money around. Equally, it's not completely locked up. Like it's not that no one's lending.

So we're somewhere in the middle. Obviously, it's slightly more challenging than it has been for some people. So this is just acknowledging that it always changes, and we've just got to understand where we are in the cycle of the bounce-back boom.

But ultimately, we're in a stage where hopefully, you know, the government are going to inject money and get the economy going, and we can take advantage of that as the entrepreneurs. So these are the different types of funding. So starting up.

If you're getting started and you're just going, this is what you're going to need, this section. There's an emerging section, which is like crowdfunding, peer-to-peer, and probably a bit of crypto stuff. That's why I was thinking about Bitcoin probably.

Obviously, you can do charge lending. I'm going to go through all these in detail, so this is just a bit of an overview. This is charge, where you're charging it on potentially your business or your property, hopefully not your house.

You've got open market lending, which is like vanilla lending. Relationship lending, which is where you're hopefully working with a high-net-worth individual, but ultimately people that you know, and the government, because the government have a part to play in this, whether it's like they did with bounce-back loans and Sybil's loans or grants or helping you get going with things like tax wrappers and stuff like that. So this is kind of most of the market summarised.

We're going to start with the start-up phase. When we're getting going, and actually probably a rule for all of this, is that the deal is everything. When I say the deal, I could be referring to a property or I could be referring to a business.

This section does kind of cover both. If you get a good deal, a good property, a property filter, then it will be much easier to find the money, like simple. If you've got a great business and it's got a great story and you're a great team, it's going to be much easier to find the money.

Equally, if you've got a good track record, much easier to raise debt against that business. So ultimately, it's like chicken and egg. You've got to get the deal right at the beginning and then the money will normally follow.

There is money out there, there's lots of money out there, but it's fussy on what deals it invests in, obviously. When you're starting, you're more likely to raise unsecured debt. Things are going to be unsecured.

The saying I like to use is, needs must when the devil drives. At the end of the day, you might have to give a personal guarantee, you might have to put your house on the line, you have to do whatever it takes to get going. You've got no other choice, have you?

Let's be honest. You haven't got a pot to wean, you've just got to get going. So needs must when the devil drives.

It's probably going to be unsecured. It's probably going to be high risk, high reward for the investor. They're taking a risk on you.

You don't have any collateral, you don't have any assets. It's kind of just a promise. So it's probably going to be expensive.

It's going to be expensive. It's not going to be cheap. So the investor's probably looking at going, it's quite high risk, but hopefully I'm going to get my money back.

And more than likely, it's going to come from people in your network. So people who know, like, and trust you already. It's very unlikely you're just going to be able to get this randomly.

This is going to have to come from really someone who is betting on you, the person. Friends and family are typical with this, right, to get you going. When you're raising startup money, you are either probably going to have to dilute some of the equity in the deal.

And by equity, I mean shares if it's a business, or a slice of the pie if it's a property. A slice of the pie, basically. Like, some of the deal.

Or you're going to raise money as debt and then you're going to be able to blend that with some other rates. Like, for example, you know, so you might be able to borrow some money from a bank at 6%, and then you have to borrow some money from someone else at 20% for the deposit, but you look at it as a blended rate. You say, OK, cool, across the whole property, actually, I'm only paying 9%, right, because I'm blending the rate.

Does it stack up at 9%? That's kind of what you're looking at. So that's the reality.

You're going to have to either blend with another lender or dilute some of the pie. And in terms of, like, rates, I mean, I'd be interested to hear what everyone thinks on this, because you guys are probably a bit closer to it than me. I think you'd still be able to get unsecured private lending for under 20% for the right deal.

I mean, I think 12% to 18% is probably about the range if it's a really good deal and if you're a really good bet. Does that sound about right? Anyone getting any longer than...? Younger? Anyone getting any younger? Unsecured? Great.

Has that been going for a number of years? Great. Sorry, Carol.

Just because we've got people listening on the live stream. Can you catch it? Too late, I'd already tracked it.

[Speaker 12] (12:37:00 - 12:37:20)

But it's going back to point three, it's the No Like and Trust. I've known them for 15, 20 years and they know my morals go beyond, so, yeah, that I would never let them down. So they were quite happy.

They just wanted to park the cash somewhere for 12 months, so...

[Speaker 1] (12:37:20 - 12:43:25)

Perfect. Yeah, and that's, you know, that's a very good deal and that's because you've got that length of relationship. Yeah, very much, yeah.

Anyone else borrowed some money recently? Rates? Billy, what do you think?

Billy wouldn't do it at 19... No, I agree, it's expensive. Who has borrowed unsecured money at 15-plus per cent?

OK, yeah. OK, so a handful of people, yeah. It's just kind of a reality of where we are.

Yeah, so you should go and see Billy. Billy's in the lending business, so... So, yeah, OK, cool.

So somewhere between... I think my range is probably about right. 18 to 7, by the sounds of it.

But, yeah, I think... And they probably know as well that you're a person of substance, maybe you own your own house, so they're probably thinking she's a good bet. Which, of course, you are.

So, yeah, in terms of when I was getting started, I'll talk about just some money I'd raised from my first property now. So I was trying to buy my first house in London, it was over £1 million, and even though I actually was making the money in terms of income from my business, the bank said no. For whatever reason, I didn't have a property, they said no.

And so I was just trying to raise money from one of my landlords, who I knew, I'd known them for six years, I'd become friends with them. And at this stage, it was like... I would have done whatever deal they would have offered me.

I was so desperate to buy this house, the answer was yes, what's the question? What's the terms? I'll say yes.

And it was just like whatever it was to get going. And the deal wasn't a great deal. But I managed to buy my first house, that was the most important thing.

For me, it was a massive landmark. And within eight months, I'd actually refinanced with a bank, because once I owned the property, it was much easier to get a remortgage. And I bought them out, I actually offered them a 50k one-off payment, can I just buy you out?

It was a two-year deal anyway, we'd done it for six months, and they said yes, sure. So it actually cost me a lot to even buy them out. And at the time I was thinking this is really expensive, but seven years later, I've still got this house, it's mine, happy days.

So I think the moral of the story here is that sometimes you just have to take a bit of a punt. If it's going to get you where you want to go, you just sort of have to push the boat out a little bit and make it happen. So the emerging sector then.

So in case anyone didn't realise, in my view, banks are dead. The idea of going to your bank for money is completely dead to me, and I think you're bonkers if you do it. Going to your bank for a mortgage is like, for me, the equivalent of a lamb for the slaughter.

It's like, they are not going to give you the best deal, they're going to take ages, it's very old-school thinking. I just really, I've never managed to get money from my bank, apart from Sybil's. OK, so, pardon?

Yeah, they set balance back loans and things like that, which they were forced to do by the government and it was underwritten. So there are much cheaper, easier, quicker options now than banks. So for me, banks are completely dead.

Where the emerging finance sector is going is crowdfunding, obviously, peer-to-peer lending, and the crypto space. This is where things are emerging, and some of them are newer than others. Obviously, the crypto lending thing is much newer than the crowdfunding thing.

Obviously, you have two options when you're raising money. You're going to be able to raise debt on a property, bless you, or your business, or you're going to sell equity. You sell equity, you sell shares in your company, or you might give an investor, for example, a slice of the deal.

Debt is normally much quicker, obviously, to raise than equity. So my advice with this emerging sector is just make hay while the sun shines. I'll talk about it more in a second, but things change.

Things will get more regulated, things will get more difficult, and it's only a matter of time. It's already happening with crowdfunding. They're almost becoming like banks now.

So I would expect to pay, when you include fees, somewhere between 10% to 15% on this. Around about the 10% mark would be good. Depends on whether it's secured.

Depends on you, etc. So this potentially would be cheaper than getting private debt, depending on your relationship, and hopefully much easier, because you don't actually have to talk to a person. You don't have to take them for coffee, you don't have to send them updates regularly, like Carol probably does.

Just the sort of watering that you do with investors. You don't have to do that with any of this stuff. This is the advantage of using institutions.

So back in 2017, I raised £240,000 in seven minutes or something, with debt. I just literally, Funding Circle, I didn't use Funding Circle, I used Lending Crowd, but Funding Circle sent me a letter. I actually went through a broker, and then they shopped around, they got me a deal with Funding Circle, they did a better deal with Lending Crowd, and once they put it on the platform, it just filled up.

It just filled up, here's a company, they've got a couple of years' profits, who wants to lend them at, I think it was 7%, yeah, and it just filled up. It was absolutely fantastic. So these crowd funders still do that.

You can go through a broker and save a fee, or you can do it yourself. So if you've got a profitable business, you can absolutely raise debt on it, almost certainly. Obviously in the property space, we all know about crowd property, and this can be relatively quick, it can be certainly a lot quicker than banks.

If you get stuck, and you've got equity, or you own an asset like land or something like that, this can really help you. I know it's got Dan out of a bind a couple of times. Has anyone here used crowd property?

Would like to share an experience? Anyone had an experience with crowd property? Who's got the mic?

Bianca's got it. Oh yeah, Ed's got it. Nina's like, don't talk to me.

[Speaker 16] (12:43:26 - 12:43:28)

Well, I didn't put my hand up.

[Speaker 1] (12:43:29 - 12:43:30)

Have you raised with crowd property?

[Speaker 6] (12:43:32 - 12:44:27)

Go on, Mark. We've used crowd property for the last two developments, so it's been pretty good. We've basically borrowed a million or more.

And you own the site, right? We bought the site outright, so we were lucky that we managed to sell two properties just in time to complete a purchase. They came along, or we were looking at simple crowd funding first, didn't work out.

Crowd property came along, we went through with, who was it, Price before? And he kind of took us right through the chain, went through all of it, this is what the legals are, this is all that is. They were happy to fund, and they funded the developments as well.

So it worked quite nicely for us. We've got another site now, we've gone through the same routine. They part mortgage the site that we bought, and they provide me development funding.

It's a no-brainer.

[Speaker 1] (12:44:27 - 12:44:31)

Sounds like it's worked really well for you. And what kind of rates have you paid?

[Speaker 6] (12:44:32 - 12:44:38)

So last year it was 0.83% a month. This year it's 1.1% per month. OK.

[Speaker 1] (12:44:40 - 12:44:46)

I mean, 1% a month, that was always standard. That was before rates went up a lot, so that seems also fairly reasonable.

[Speaker 6] (12:44:46 - 12:45:00)

It's reasonable compared to what you get into other prices at the moment. Sorry, it's been? It's reasonable compared to other prices at the moment.

We looked around at other brokers, you were talking about 1.2, 1.3. They don't know us. Crowdproperty know us. They're happy to stay with us.

[Speaker 1] (12:45:00 - 12:45:14)

Fantastic, that's good. Anyone else want to share anything with Crowdproperty? You can say bad things.

Valery? I'm not invested in Crowdproperty. Just interested to hear on the ground, because ultimately this is what it's all about, trying to get some recommendations.

[Speaker 5] (12:45:14 - 12:46:31)

Yeah, I currently have two loans for them. They're basically development loans to fund my... One is to purchase a block of flats and refurbish it, and the other one is just...

I've already had a lot of land and building a house there. My experience is they're great. They basically, in terms of pricing, they're roughly the same as other bridge loan lenders.

But the distinctive advantage is that, for example, if shit hits the fan and there's a problem on site, basically they insist on signing a document, which is called, I think it's warranty or something, basically which means normally a bridge lender, if you're in trouble, they will just basically repossess your place, sell it on the auction and get whatever money they can, which basically you will end up with a debt.

But these guys, they will step in, they will complete the construction, and then they will sell it, complete it, which obviously will fetch much more money. At least that's the theory, that's what they're saying, because obviously they're run by property people as well. And you signed this special document.

I've worked with other bridge lenders, they don't think along those lines. They're pure financial institutions. Crowd property is more sort of property folks.

[Speaker 1] (12:46:31 - 13:07:09)

Thank you, Vali. That is really great insight. And I think that's the whole point about the crowd and these new emerging sectors is they're able, and like fintech banks and things like that, they're just easier, aren't they?

They're just how it should be. So they're able to reimagine something that's been around for decades and provide a better service to the customer. So that's really good to hear.

I've been saying this for a number of years. Sorry, this was sort of Dan's mantra that I've been repeating for a number of years, which is that certainly when crowdfunding came out, it was almost too good to be true. It was like the 100% mortgage market was.

We would look back on this like we look back at 125% mortgages, like I can't believe at some point you could get 125% mortgages. And that's probably where we are. I do think crowdfunding is probably not there, and it's had its good days.

It's much harder than it was. And that's just a reminder to us that when these new things come up, we want to jump on them. We said the same thing about low interest rates.

These aren't going to last forever. Lock in now because they're going to go up. It's like there's a moment for these things, but I still think crowdfunding is good.

I am not telling you to do this, but I noticed at the end of the last bull run that lots of people started lending money on crypto assets as well. So in the same way that crowdfunding was pretty unregulated when it started, crypto is completely unregulated. I say completely unregulated.

It's starting to get a little bit regulated. I noticed that I couldn't take any money out of Binance the other day because they haven't got FCA approval anymore. Binance is just a platform.

The point is if you are holding some Bitcoin now, you can leverage that. You can put it on one of these platforms and they'll lend you money against it. I'm not necessarily recommending you do it.

I'm just saying there's always creative ways to get finance when you're at the crest of the wave, when you're right at the front of it. So take with that what you will. Charged funding.

Okay, good. Right. Getting through this now.

So if you are able to offer security, like Valerie, like Mark and Mina, then you represent a lower risk and therefore you'll get a lower rate. I'd probably argue that actually even though Carol's is unsecured and she isn't charging on anything, fair play to her. Are you giving PGs?

Yeah, that's very good. Yeah, that's great. So it just means if you lost their money, you'd have to move house, right?

So yeah, it's obvious, right? You're a lower risk, therefore you should be able to command a lower rate. So if you can offer someone security, then happy days, especially if it's first charge security, because these are going to have an asset behind them.

Whether it's a business, whether it's a property, first charge, mortgage, second charge, third charge, obviously in that order, then you're going to be able to get lower rates. And yeah, I mean the target market for this, again, is going to be those friends and family who just want something secure. If you can offer them security, happy days, because at the end of the day, if they've got a lot of cash, if there are people in your network with a lot of money and they can't find a good investment, there is actually a limit to how much money you can have in the bank that's safe.

Do you know what that limit is? 85,000. Exactly, fantastic.

We're well versed. 85,000, and not a lot of people know that. So if they're sat there with 250 grand in one bank, then they're actually potentially at a bit of risk there and they want to deploy it because obviously cash is losing money all the time.

So if you can tell a story around depreciation of cash, not being necessarily safe in the banks versus secured on an asset that is safe, then some people might consider lending you money on that basis because it is secured. And yes, they might have to go through a bit of trauma or pain to get the money back, but ultimately if they can take control of the asset, like crowd property are going to do, then they might be happy with that. So that's kind of the target market you're looking for.

And charged-based lending works at all levels. It works for quick in and outs, like quick bridging. It works for medium term, like development loans, and it can work long term.

There's no reason why someone wouldn't give you a mortgage on a property if it worked for them. Longer term, five years plus. It can absolutely work.

It really just depends on the investor and what you need. So for this, I would say that you're probably looking at under 8%. Like, well, definitely under 8%.

I used to borrow mine between seven and eight, but they used to lend me the whole amount of money. I'll talk about it in a second. So I really don't think you need to be paying it much more than that.

But ultimately, probably the biggest problem you've got with private investors generally, especially at the higher level, which we're going to talk about more in a second when it comes to the high net worths, you've kind of got to borrow enough money to make it worth it for them. They don't care about... With all due respect, they're not going to be bothered about 10, 20, 30, 40, 50 grand.

Just to pay the legal fees on a loan is going to cost them two grand. They're thinking about hundreds of thousands. It's not worth it to lend 25 grand, 50 grand.

Sometimes it's much easier to lend more money, to borrow more money than it is to borrow smaller amounts of money, because it's the same amount of effort and work for 10 grand as it is for a million pounds. This is the bottom line. So when you do have a lot of money, you are literally looking at it like that.

So that's something to consider, especially if you're looking to give a charge over a property. Now we're getting into bigger numbers. It's a juicier deal.

It's worth it to me. I'm going to look at it. Happy days.

Okay, so the open market, the sort of stuff that we know. This is like mass market, open market, vanilla, go to a bank, go to a broker, basically anything you can get on the high street, things you see published on websites, et cetera. This stuff always takes a lot of qualification, in my experience.

You are going to be jumping through hoops, filling in forms until you're blue in the face. If you need the money in two weeks and you go to Barclays, you can forget about it. It could take six months.

It's an absolute joke, to be honest. They're really going to want everything about you. They're going to want to have a sally, a statement of your assets, liabilities.

They're just going to want to know literally everything, your inside leg, your neck collar, everything. It's arduous. It's long-winded.

To be honest, it's a bit of a pain. Obviously, you're going to go to things like banks, for property, financial institutions, as we've talked about, for businesses that are more geared up for business lending. These are where you're going to go to.

I would always go through a broker, personally, because brokers, as long as they've got access to the whole market, they're just going to steer you well. Yeah, they're going to take a commission, but they normally take it from the lender. They have to be transparent about those commissions.

As long as they have access to the whole market, I use them as leverage to just get me the best deal. If you use a good broker, it's a no-brainer. They're not fast, but they will be cheaper.

Once you get into a high street bank, we all know it's way cheaper. This is where you want to get to. It takes longer, but it's ultimately probably more for longer term.

That's absolutely the way to go on that. In terms of rates, buy to let now seems to be about five and a half to six and a half percent. HMO, it's obviously mortgages, six to eight.

Commercial is difficult right now, 10 to 15 plus. Susie's doing a bit on commercial on Advance for us on Friday to give us a bit of an update. Hybrid, which ...

Commercial is just straight out McDonald's, things like that. Hybrid is where you've got mixed use or you've got blocks of apartments to a service provider, things like that, things that don't fit in. For example, if you've got an HMO, but it's let to a service provider, you might have to get this hybrid lending where it takes a specialist lender who will look at it, eight to 10.

These are your rates. Fit with what everyone's experiencing at the moment? Any comments, thoughts?

Good, happy days. Relationships, the relationships. This is where we really want to get to.

I've talked about know, like, and trust, family and friends, but when it comes to relationship lending, we're really looking for the big hitters. This is the sweet spot because everything I've just said about banks and crowdfunding and everything else, that's all fine. You're playing by their rules.

When you have good relationships with investors, like Carol's got, et cetera, then you can write your own rules. You can be creative and you can come up with a genuine win-win. You don't have to fit into a bank's box.

You can say, well, this is what's important to me, what's important to you, and you can try and find where the common ground is. Where you want to get to is you really want one high-net-worth individual. And when I say high-net-worth, I don't mean someone with three bites of Let's in Grantham and 50 or 100 grand in the bank.

I mean 10 million-pound-plus net worth. I mean someone who's got a lot of money that's liquid but also in assets and is basically sort of out of the investing game to the point where they just want to be passive. They're doing it for their own reasons, and they may have done a deal or two with you and they've dipped their toe in the water.

That's how it always starts. Or you've worked with them for a long time and you've got that time, and then they're ready to actually fund you hundreds of thousands of pounds, if not millions, and create a real win-win for you both where they get what they want, you do all the work so they get what they want, and you get what you want, which is the leverage of their cash. So you'll effectively create like a joint venture with these guys, and I don't mean you'll set up a company necessarily.

I don't necessarily mean you'll buy a property together. I just mean that you will work with them like a partner. You might not be actually an official partnership, but you're going to really create like a JV structure where you both get what you want.

Normally, they provide the money, you do the work, and then it's how do you split it? Are they going to take a loan for their money? Are they going to take an equity slice in the deal?

What is it they're going to do? What is it they're going to get for giving you all their money? And it'll normally take obviously one of two lines.

It'll either be that they want capital appreciation or like an equity play. So for example, if they're funding your development and they really believe in the development and they put their money in, they buy the land, and they're going to want a slice of that pie when you sell. That would be great.

That might be their objective. Or it might be that they've got a load of money and they don't have any cash. They've just sold a company and they're like, well, I've got five million pounds in cash, but I don't have an income, in which case they're going to want cash flow.

So that could work for you because you might be able to pay them as a loan note and they get a monthly cash flow. Or if cash flow isn't important straight away, it might be that you roll up the interest and they get it later in a lump sum. So it's all about the investor, but it's just trying to understand what's important to them.

And ultimately, this comes down to just splitting the profit, whether it's cash flow or equity or whatever. There's money in this. How are you splitting it?

Blank sheet of paper. What is it that you're after? What's important to you?

And then how does it work for me? Don't be afraid to push back because ultimately you've got to make money out of this as well. This has got to be a win-win for you.

But it might be that you start here and gradually get where you want to get to. Like I did, you might have to start on pretty onerous terms, but then once they've worked with you for a bit, you might be able to renegotiate, or you might be able to do a deal and say, okay, I'm happy with these terms for this deal, but when we come to the next deal, I'm going to want to renegotiate some of these things. And I'll talk you through a little bit about how I did this because this is how I built my financial fortress.

So I had one relationship with one high net worth that was sort of £10 million plus, and they just lent me the money to buy my properties basically. So after I got the first property, then I bought my second property, and I'd learnt a lot from the deal on the first property. I was like, right, I need to buy another one of these.

And it was this house on the left, my left, your right. And the house was £840,000. And obviously when I was buying them out of the first house I bought, I was like, I'm going to buy you out, but I've actually found another house.

So rather than give you the money back, like you're happy with these terms, why don't we just roll the loan? She was like, yeah, I'm potentially very up for that. What do you suggest?

I was like, well, I've got this house, it's £840,000, I'm going to have to spend £60,000 on stamp duty, I'm going to have to spend £150,000 renovating it, so I need to borrow, and I need a bit of a buffer, so I need to borrow £1.1 million. She looked at it, she was like, yeah, if we're first charge, I'm more than happy to lend you that money. And because of the relationship, I'd known them for six years, I'd worked with them, I'd already borrowed the money on the first one, they lent me all of the money.

So it was fantastic, it was like 130% of what I needed, but I had to pay them the 7% initially, like from the get-go. It was like I was paying interest on all of that money straightaway. I was over the moon.

But actually, in hindsight, I probably shouldn't have done that, I should have done what I did on the next deal, which was the one we cleaned the bricks on, on this one, where I said, OK, it's the third deal now, so I want to borrow the money, but I only want to borrow it in stages. I'll take this money now, and then I want to be able to draw down within six months this amount of money, and draw down this amount of money, and I want to be able to pay you back earlier, like I want to pay you back after six months. The other deal, I had to have it for, I think, 18 months or two years.

So I basically gradually improved the terms as they got more familiar with me. And that, improving those terms, meant a lot of money to me. That was actually a lot of money.

And at the end of the day, they were happy to do it. The money wasn't going anywhere else. They were happy to roll with it.

So that was what it came down to. And this was all very nice, but what actually happened halfway through this was I needed to borrow about 300 grand really quickly. So I'd grown myself really quick in my business.

I've shared this story before. And I needed 300K, like, ASAP. And because of my relationship with them, and because I had this house live, so we were live on this house, we'd finished the refurb, I basically just rang them up and said, Listen, I need 300K.

How would you feel about lending it to me secured against this one? Basically just extending the loan note for another 300K. And it had about 150, 200Ks of equity in it.

And they said, Look, we'll sleep on it. And the next morning they rang me back at 9 o'clock and said, Yeah, we're prepared to do it. So it's like that type of relationship, which isn't easy to get, but is well worth trying to invest in and nurture and work for now, is a large part of the reason why I got the leverage to do what I'd done.

So you might already know this investor, or you might be yet to meet them, but it all starts small, and eventually once you prove yourself to them and you work hard and you do what you say you're going to do, over five, six years, they could well be this person for you. And then it only takes a couple of deals to catapult you right into financial fortress freedom, and it's exactly what Dan did. Dan did the exact same thing.

He found an investor, sourced him a deal for free, then did a deal with him and absolutely under-promised, over-delivered, and then they sat down about a year or two years into working together, and he committed like 10 million pounds to him and his and Dan's development fund, and they went and started buying and doing developments. And that's what it is, and now Dan doesn't use him, now Dan's got his own money, he can do his own stuff. But it took that high net worth investor to really catapult him and catapult me.

I don't think Josh did this, which is why I said he did it the hard way. Josh did it with lots of investors, and fair play to him, absolutely smashed it, but this is where I'd recommend getting to. Something else you can use as well is the Director's Loan ISA, or the Rebuilding Society ISA.

So this is peer-to-peer lending, and this is where you can use someone's ISA savings for them to lend you money. So we talked about this on the blueprint, does everyone remember this, sort of vaguely? So when you're trying to borrow money from people, a really smart way to do it would be to ask them if they've got any ISA money, and it's probably quite liquid, because it's normally invested in stocks and shares or sat in cash, and they could lend you their ISA through a platform like Rebuilding Society.

So Rebuilding Society will create a proper loan agreement between you and them and the lender, be properly legit, and they'll lend you the money via Rebuilding Society, and then you'll pay them back via Rebuilding Society. Rebuilding Society will take a cut, but it's a bit like using a crowdfunding... a charity raising page or something like that.

It's just a platform to allow you to do this deal, and all of the profit, all of the income and profit that they get from you is tax-free, because it's within their ISA wrapper. I'll say that again. So all of the profits, if they lend you...

One way of getting a better interest rate with your lender is to say, OK, cool, they're looking for 10%, and you say, cool, 10%, I assume that's pre-tax. And they're going to say, well, yes, obviously. So what would that be post-tax?

Well, I'm a 40% taxpayer, so I'll actually only get 6%. Let's just say that worked out. You say, OK, 6%, cool.

Well, how about I'll give you 7% net? And they say, great, let's see. You say, OK, but the way we do it is you lend me your ISA.

So they've got ISAs sat in, goodness knows what, doing probably not a lot, and then they just lend you their ISA. All of the money they make from you is tax-free. It goes back into their ISA, or they can withdraw it.

It's up to them. So let's just say they've got a £100 ISA and you give them 10%. £10,000 a year they can just pull straight from their ISA and just start living off.

Their ISA, £100,000 stays the same, but they start actually taking cash out. Tax-free they can live off. This is a really great platform to use.

I'm sure there's others like it. Yeah, I mean, they're a small business, but for me they've been pretty useful. So things like this is how we get smart with our lending.

OK, government stuff. So government lending, grants, loans. So obviously we're in this bounce-back-boom phase, like I said at the start of the session, right?

And in this phase in the cycle, there is going to be more opportunity to capitalise on things like this than when we're at the other end of the cycle when everyone's making loads of money and things are completely overloaded. The government will start pulling back some of its injections of cash into the economy. So whilst it might not feel like it, there are things available and we do have to make hay while the sun shines because it won't always be like this.

So we need to keep our ears to the ground, what's available. And what you're looking for is things like grants, schemes and initiatives. So anything that comes out, you need to search.

I suggest if you're at this stage where you are looking for money and looking to get going, certainly, that you should be talking to your local council, getting your ear to the ground, what is around, like online, like just figuring out what is going on and what you could apply for that might suit your business. Not only this, but obviously tax breaks, things like that. You'll be talking to your accountant, listen to Billy's session.

When I said about becoming a bit of an expert in wealth, part of your job is to figure out what you can really do. Yes, let's get some... We'll get Gareth, please, a mic.

Here we go.

[Speaker 3] (13:07:12 - 13:08:02)

Yeah, just on the grant side of things, we've just had a grant from our local authority. Fantastic. Yeah, so it's called the Shared Prosperity Fund, which is a UK-wide scheme, I think, so I think all councils have it available.

It comes in various shapes and sizes, but from a business perspective, we applied for a 50% grant prior to that, of course, and we've, as part of the winter hit list, we wanted to do a new website, rebrand. We've introduced a new CRM system. We're having some photos done, so we've wrapped this all up into a project, which totaled about 21K, and we've had about 50% of that, but just over 9K back from them.

[Speaker 1] (13:08:03 - 13:08:04)

That's pretty good, eh?

[Speaker 3] (13:08:05 - 13:08:28)

APPLAUSE Other parts of that are property-related, so commercial property grants, and I'm speaking for Wales a little bit more than England. I'm not sure what's there, but there's commercial property grants available for businesses who are looking to move premises, but also there's empty property grants. There's loads in Wales, but depending if it's town centre...

[Speaker 1] (13:08:28 - 13:08:29)

Empty properties or grants?

[Speaker 3] (13:08:29 - 13:08:44)

Empty property grants. Yeah, there's lots of empty properties. But we then, we don't have the joy of...

..a lot of the PD rights there are in England to convert to commercial properties, but, yeah, there are lots of grants available.

[Speaker 1] (13:08:44 - 13:08:49)

Well, that's great, because I knew someone was going to ask me what grants are available, and I didn't really have anything up my sleeve, so...

[Speaker 3] (13:08:49 - 13:08:50)

You're welcome.

[Speaker 1] (13:08:51 - 13:09:21)

I was really hoping someone would do the same, but this is the point, that's a lot of money, that's 21K. That's a lot of money if you're just getting going. That is the difference between having a world-class website and something that you ask your auntie to put together on Sunday.

It's like, these things are available, we just have to do a little bit of work and ask around, so thank you for sharing that. Another one I'd remind you of is the start-up loan. Who here has looked into the 25K start-up loan from the government?

Yeah, Laureen, you've looked into it? Fantastic. Have you made any progress?

[Speaker 16] (13:09:22 - 13:09:22)

No, I'm thinking about...

[Speaker 1] (13:09:22 - 13:09:32)

One second, we'll just get a mic. Where's the...? Ed's got it. Ed's got it.

You're going to have to contribute in a minute, Ed.

[Speaker 7] (13:09:34 - 13:10:10)

Yeah, I looked into it, because I want to take... I am thinking about taking my PA business as a limited company and thinking... Part of me did think, can I get that 25 grand and then use it, transfer it over to my property business, just as a bit of a boost.

I know, it's not allowed. Or I could use it to really build up my team that I'm starting to form to provide more services to my current clients. So, yeah, it's definitely something I'm thinking about.

[Speaker 1] (13:10:10 - 13:10:14)

Absolutely. And it's a pretty good interest rate. Has anyone else looked into it?

[Speaker 7] (13:10:14 - 13:10:16)

I think it's 5%. Pretty good, eh?

[Speaker 1] (13:10:16 - 13:10:18)

Sorry? Pretty good.

[Speaker 7] (13:10:18 - 13:10:18)

Yeah.

[Speaker 1] (13:10:18 - 13:10:34)

Has anyone else looked into it? No, one second, if you're not... Cool.

So there's 65 people in the room. That's what I'm going to say. It's not for everyone.

Ed, you've got the mic, haven't you? About time you contributed.

[Speaker 4] (13:10:35 - 13:11:19)

Yeah, be honest. Mine's not loan-related, mine's related to employees. So I'm working with a company called Pareto Law, and basically what they do is they put...

This is mainly for salespeople. They'll put them on apprenticeship schemes for over an 18-month period, but what you get in return is you don't pay any NRI, you don't pay various bits for that employee for 18 months. They ultimately get...

They go to monthly workshops, and in the end what I'm going to get is... Excuse my French, a shit-old salesperson who's just going to go and tear it up, so it was a bit of a no-brainer for me, because I think I save around £7,500. They're Pareto Law, so there's all sorts out there, not just necessarily giving you cash injections, but for your staff.

For grants and stuff.

[Speaker 1] (13:11:19 - 13:11:50)

And actually, this is where the money is like... You know we talk a lot about the margins you're missing, and a lot of us have these businesses, and they're not making the money that we want that Josh talks about and Rachel talks about, but it's because we're not finding these little margins. And this is often...

We don't need to go and get another load of new clients or another deal. We just need to make more money, do better with what we've got, and little things like that can make a huge difference to your bottom line, right? Straight on the bottom line, especially if it's a salesperson, because now...

[Speaker 4] (13:11:50 - 13:12:10)

Another example. So I mentioned before I've got a senior leadership team, and one of them came up to me a couple of weeks ago what this progression looked like. And anyway, I went to Pareto, and to cut a long story short, they're putting my senior leaders through an 18-month programme again on senior leadership, which companies like Virgin have gone through, the BBC, or quite big corporate companies.

[Speaker 16] (13:12:10 - 13:12:10)

Wow.

[Speaker 4] (13:12:10 - 13:12:26)

And that course actually costs £8,000. So my response to... It was my office manager at the time, was, yes, we'll invest in your progression.

Not only will we look to give you a pay rise, but I'm also going to invest £8,000 in a course for you to become an expert in senior leadership.

[Speaker 1] (13:12:26 - 13:12:28)

Wow. What was the course called, senior leadership?

[Speaker 4] (13:12:28 - 13:12:31)

Yeah, it's operate... I can't remember off the top of my head.

[Speaker 1] (13:12:31 - 13:12:31)

I'd like to know.

[Speaker 4] (13:12:31 - 13:12:37)

There's a number of schemes that the government will pay for that you can give to your team.

[Speaker 1] (13:12:37 - 13:12:39)

And your team members are great, happy because they're getting...

[Speaker 4] (13:12:39 - 13:12:40)

Oh, of course, yeah.

[Speaker 1] (13:12:40 - 13:12:42)

...professional development. Exactly. You're happy.

[Speaker 4] (13:12:42 - 13:12:44)

Yeah, so yeah.

[Speaker 1] (13:12:45 - 13:12:50)

Fantastic, fantastic. Good. Ed, just while I've got you on the mic, I just reminded me, you did the Financial Fortress training last year, didn't you?

[Speaker 4] (13:12:50 - 13:12:51)

Yes, I did, yeah.

[Speaker 1] (13:12:51 - 13:12:55)

Just to give people a bit of insight in that so they can hear behind the scenes. How did you find it?

[Speaker 4] (13:12:55 - 13:14:10)

I mean, the amount of value I personally got from it was pretty amazing. I got it from the first session, to be honest. So I'm quite fortunate that I've invested a lot of the cash flow that I've generated from my...

Well, profit from my cash flow business into assets, like various HMOs and bits and bobs. And I went into the programme thinking what I knew what long-term wealth looked like. But going through the six-week period, in the end, I've got crystal clear clarity on what I need to do to really build long-term generational wealth.

I've got clear defined strategy rules for what I'm going to invest in, what goes to my fortress, what doesn't. I think most importantly, I've always wanted to buy, buy, buy. It's allowed me to say no now.

And also working capital-wise, me and Hannah have got a lot of things going on, like building a house. I can clearly see what's coming in my business, what's coming out, what it's making. So I can literally know what I'm looking at like 18 months ahead.

So, I mean, it's amazing, to be honest with you. The contacts I got from it as well, like for lending, various bits and bobs legal. There's a little black book, I think, if that's still available.

So yeah, and then every month I just update it and it's quite a fun couple of hours every month to see where I'm at.

[Speaker 1] (13:14:10 - 13:14:13)

See yourself getting wealthier. Yeah, honestly.

[Speaker 4] (13:14:13 - 13:14:16)

Great, it's my favourite time. It is, to be fair.

[Speaker 1] (13:14:16 - 13:14:17)

I love it.

[Speaker 4] (13:14:17 - 13:14:20)

It's a game-changer for me and I'm sure it will be for a number of you as well.

[Speaker 1] (13:14:21 - 13:26:05)

That's great insight. Thanks, Ed. Just on that, if you're sat in there and you've got quite a lot of net wealth or properties ready, you think you know what you're doing?

You think you know, but you've figured it all out by yourself. It's only when someone else shows you. You don't know what you don't know.

Anyway, thank you. That was really useful. So there's lots out there.

Loreen, fair play to you, Loreen. Well done. She's a lady on a mission and she's looked at the start-up loan.

If you need 25K, if that's going to give you a deposit or setting up or starting out, it's a reminder. Kick up the bum. Okay, let's look at tax wrappers now.

So another thing the government does, and this is something else I also mentioned to you on the blueprint, is they make it very attractive for high net worths to invest in start-up businesses. And the way they do this is with these two schemes called SEIS and EIS. And as long as you're a qualifying trade, which obviously property development isn't, but property management is, then an investor can invest in you and your business.

And on day one, let's say they invest 100 grand, they get a 50% reduction on their personal income tax. So they get a 50,000 pound credit back straight away. And I invested in Property Filter and my accountant actually retrospectively did it.

So I got a refund for the tax I paid in January. It's coming. The refund's coming.

So it's like straight away they give you 100 grand and their risk is only 50. And if they lose their money and everything else, and assuming they've got capital gains, they can basically write off the whole investment. So for them it is like it's an allowance that they actually want to use.

But I said to Dan, I said, why did you invest so much money? And he said, well, because I'm using my SEIS allowance. So for people at that level, they literally want to get the money out the door.

So don't underestimate this either. This is obviously how Property Filter have just raised, I'm not sure what they've raised, but I think they've just raised over half a million. It's like they're using this wrapper to great effect.

And even if you haven't got the next Property Filter, and you've just got a business, and you just sell it for the same three years later, the investor still makes a huge return on their investment because they've had their relief from their income tax initially. So it's just a no-brainer. So I'd encourage you all to look at that if you've got anything going on with business or want to raise money in a business.

And the way to really turbocharge this is to put SCIS and crowdfunding together. So if you can get on a crowdfunding platform or use a platform for your investors, so you've got the benefit of using a platform, and you qualify for SCIS, then the two together are great, right? Because now you're using crowdfunding and leveraging that emerging space and the tax wrapper.

And this is why these platforms have really taken off because you're putting the two things together. So when it comes to government grants, lots of these things like that Ed and Gareth have shared, 0% is what they cost. Like 0%.

A bit of effort, a bit of effort and a bit of time for sure, but often these things can actually be free. So they're very, very useful. So obviously CEDARS is the biggest, as far as I'm aware, the biggest platform for equity investment.

And typically what they would do is they would ask you, for example, let's just say you wanted to raise 100 grand for your business, you would have to raise 50 from friends and family, and then once you get to say 50%, they would put it on the platform and they'll try and raise you the second 50% or something like that. So this is like a whole campaign you would have to do if you really wanted to raise money in your business, but it can be done. It would start off with behind the scenes sales to family and friends, then it would go live and they would top you up.

And that's, like I said, that's exactly what Property Filter have done, SCIS qualified a range of investors at their initial seed phase, and then their next round they were going to go on CEDARS, I think, but then they ended up getting it from a private equity company, I think in Birmingham. So they've done really well. When it comes to the speed of implementation and getting these things done quickly, a couple of years ago when we all got our Sybil's loans, we were literally getting Sybil's and Bounce Back loans, we were getting them before the official launch had even happened.

The point was, is that we got in early before a lot of the rules and tests came in. The quicker you jump on these things when you hear about them, the better. If you think, oh, that's cool, I'll look at it next year, it's like the game's changed.

It literally may no longer be available or it may be way harder. So I'd say time is of the essence with this stuff, and you've still got time to raise money before you go into the summer. Just another point on this is with things moving fast, is that we put a post in the advanced community about interest rates, and we were basically saying that the market was artificially low, he was saying, for a number of reasons.

If you have got offers on the table or you can get a revised offer, now would be the time to accept it. Some people would be really close to accepting mortgage offers or have irons in the fire. That was the time to do it.

Literally two weeks later, Akash, who's from On Point Mortgages, jumped in the group and said, yeah, actually, on this post, and actually, yeah, rates have started to go up. So it's all about trying to seize the moment. This is the point I'm trying to get across, is that when you hear about a good thing, it isn't always a good thing forever, so just absolutely seize the moment.

Right, some top tips before we go into lunch. So number one is when you're negotiating, always negotiate the decimal points. Don't just jump from seven to eight percent.

These decimal points count for a lot, and often it's the funders that make all the money in this game. This is what I learned. I remember thinking about my high net worth, and initially I was so grateful that I got the money.

I was taking them out for dinner, I was paying their fees, and then actually, when I looked at it a couple of years later, I was like, actually, the person that's made the most amount of money from all these deals is them. They should be taking me out for dinner. It was like, I made them a lot of money.

I managed to build my wealth, and that will pay me forever, and so it was a win-win, fair enough, but the funders make all the money, so really negotiate the decimal points. I would also consider when you are looking at debt to really think about and look at repayment options as well. If you build your entire portfolio on interest only, borrowing from Peter to pay Paul, you're going to be very highly leveraged.

Now, whether you do that at the start or whether you do it, you make a promise to yourself that once you get off the high private investor finance, you'll move to a repayment. I would really consider, look, don't just write this off. Do not write this off because you don't want to get to the end or later life, and then have a huge jump in interest rates, and all of a sudden, you haven't got the leverage you need for your financial fortress.

Top tip number three is try not to do joint ventures on cash flow deals where you're splitting the cash flow every month. For example, you get an HMO. It makes 1,500 pounds a month, and you say to the investor, we'll just split it.

We'll split it at 750. For me personally, that was quite messy, and then you get random costs, and then money's always changing, and then they want you to justify why it's changed. It's like, I'd rather just borrow some money and pay you back on a fixed amount for a fixed term, like done.

For me, that's just like keep it simple. The hardest thing is to keep it simple. When you're stacking up your deal, don't always just look at the headline rate.

Look at the hidden fees. This is specifically true with crowdfunding. The fees are really big.

I think my fee was 15,000 pounds or something like that for that 240. It was a lot, and they don't have to tell you that. They don't have to add the fee to the interest rate because it's a commercial loan.

Just understand what the fees are and also what the terms are. Crowdfunding, I'm sure it's the same, but it used to be great because you could pay it back any time you wanted. That 240K, it was almost like an overdraft.

I could pay it back the next month, and it would end there. I wouldn't have to pay any get-out charges. I wouldn't have to pay the length of the loan.

That was incredibly attractive for me because it was like, well, I'm going to pay this back. I was earning quite a lot of money. I was going to pay it back pretty quickly.

Happy days. If you take that from a bank and you take a five-year loan, they're not going to give you a discount for paying back early. They're going to want all of their money.

All these things need to be considered when you are getting in the ring with lenders. Probably my last top tip is just be creative, especially obviously when you're dealing with people. The whole thing is to try and be creative.

Explore different options. Explore taking the money in stages. Explore rolling the interest up until the end.

Explore what happens if you get to the end of the term and you can't pay them back. Think about, try and work out no money down deals. Be creative.

Entrepreneurs, our job is to be creative and solve a problem. When we're working with, certainly with individuals, we get a chance to be really creative and often it's just about kicking it around and trying to find a win-win for everybody and there's normally a deal to be done, especially if you've got the right deal. To finish off with what I started with is ultimately if you find the right deal, then you'll be able to find the funding.

Every deal I've ever done, I've found the deal and then found the funding. Some people have it in their head that they need to find a lender and then they'll go out and find a deal. I just believe that you'll do a better job with a gun to your head because you found a deal and you've actually got something to show them than the other way around.

I'm pretty sure that's unanimous in this group but some people do get stuck and they're like, oh, when I do this, then I'll do that. No, I think start building your bridges now. Start building your relationships now.

Go out and find a deal and then find the lender that is going to be right for that deal. That would be my advice for you. Just out of interest, just in this room by way of a show of hands before we end, who has actually got cash that they would want to invest in their right deal?

Who's sat here now with money and if they had a good deal, they would invest in it just out of interest? Who's got that sort of money? Yeah, so probably about 20% of the room.

There's 20% of the room in who've got cash and it might be that you have to sell them a deal if you want them to make money from selling them but people are in the market and even in this room, there's people that are in the market with cash. They might not want to joint venture with you. They might want to buy the deal.

They might want to joint venture with you but it is real. It is possible even in these times. My advice would be go and find the deal then try and find the lender.

When your back's up against the wall, you'll make it happen. Good stuff. Any more questions?

Nope? All a bit overwhelmed from funding? It's all good.

They've been asking questions as we go. I just wanted to check if anyone had any questions. Billy's got a question which scares me.

Yeah, yeah. Okay, good man.

[Speaker 10] (13:26:16 - 13:26:33)

Billy, you're on. We're all waiting for you. That's the budget actually speaking.

So just in your rebuilding society, they've just announced in the budget there's 5K extra for ISA allowances for British investments. So that should increase what people can lend basically.

[Speaker 1] (13:26:34 - 13:26:35)

So 25K now? What?

[Speaker 10] (13:26:35 - 13:26:47)

There's a 5K British one, yeah. So as long as the investment's into a British company, you can have an annual allowance of 25 rather than 20. Cool.

Nice.

[Speaker 1] (13:26:47 - 13:26:48)

Thanks, Billy. Noreen?

[Speaker 7] (13:26:49 - 13:27:01)

You said that you got a high net worth investor and that's how you started. And now you're a high net worth person. Would you then do the same for someone else?

[Speaker 1] (13:27:02 - 13:27:02)

Would I?

[Speaker 7] (13:27:02 - 13:27:03)

Yeah.

[Speaker 1] (13:27:05 - 13:28:00)

I'm not at that 10 million level. So I wouldn't say I'm probably the target. The person you want is, I would say like 10 million plus is the sweet spot because they've got their big private residence.

They've got their investments. They're streaming out cash every month. Cash is a serious problem for them.

They literally have too much cash. They don't know what to do. They've got coops trying to tell them to buy stocks and shares and charge them a fortune.

They don't want to do any heavy lifting, but they've got loads of money. And they need to have liquid over a million pounds to want to invest in you, which means they probably have got liquid assets or investable assets of five to eight million because they're not going to put all their money with you. So they need to have enough money where you're not the only horse they've got in the race.

Does that make sense?

[Speaker 7] (13:28:01 - 13:28:15)

Yeah. So you're saying literally, so for me, for example, I would, as soon as I hit a certain level, I would start giving back myself and start helping out somebody else. So you're saying that level is about 10 million?

[Speaker 1] (13:28:16 - 13:29:45)

I mean, for me and for Dan, that was where our sweet spot was. It was like you've got someone who, you know, they're probably like in their 60s, but they basically made their money there at the end and they want to work with someone who's going to give them a good return on investment where they might get a little bit of fun and excitement. And it's not going to be the end of the world if they lose it.

I think when it comes to, like, just something you just said about lending money, I think at the end of the day, lending money to other people is really risky. It's very, very risky, even if it's like charged and stuff like that. So it really depends on the investor profile.

For me personally, I just, I'm not in the lending people money business. I'm not. Billy is.

He's into it and he knows the business. That's just not my business. But some people are.

But for me, it's just not something that I really prescribe to. Same with Dan. Probably because we're really risk averse.

We don't like losing money. So people are quite risky, which is why you need someone with enough where they're prepared to do it. And the only way you make it not risky for them is hopefully letting them have a first charge on a property, which means they need to have a lot of cash.

They need to have enough to buy properties outright. Does that make sense? So it's considerable amounts of money.

Claire? I found. Two questions, then we'll get Rachel on stage.

It's lunchtime. Nice one, Claire.

[Speaker 11] (13:29:47 - 13:29:52)

This idea of keeping your ear to the ground, eyes open for speed of implementation.

[Speaker 16] (13:29:52 - 13:29:53)

Oh, yeah, yeah, yeah.

[Speaker 11] (13:29:56 - 13:30:06)

Where should that ear be? Like what are the sort of, where should we be, who should we be following? Where's the information?

Who is kind of broadcasting that ahead of the curve, basically?

[Speaker 1] (13:30:07 - 13:30:07)

Us.

[Speaker 11] (13:30:08 - 13:30:09)

Okay. I'm in the right room, then.

[Speaker 1] (13:30:09 - 13:30:09)

Yeah.

[Speaker 11] (13:30:10 - 13:30:12)

Thanks. Problem solved.

[Speaker 1] (13:30:12 - 13:31:01)

Yeah, I mean like our bounce back boom updates is probably where you normally hear it first. But equally, some of the things I've mentioned in here, they're not going to be around forever and not everyone knows about them. And even rebuilding societies changed a lot.

And this 25K, I also think, I mean it's like that might change as soon as another government gets in. So there's a window. It's things like that.

They're not, there's never a big neon sign saying, this is amazing. You know, it's like they're little things you hear and you say, you either do something or you don't. But we do try and round things down people's throats as much as we can.

But ultimately, all we can do is say it and it's up to you to run with it. So, yeah. Thank you.

Afam, let's get Afam a mic and we'll get Rachel up on stage.

[Speaker 8] (13:31:03 - 13:31:38)

Thank you for the session. So my question was just in regards to high net worth lending. So there was a time, I mean, when we first started sourcing and whatnot, advertising on Facebook, and sometimes you go to Facebook and say, anyone want to lend me 20 grand?

For example, you get a load of idiots that come and say, no, you need to do your due diligence. You need to go for FCA and blah, blah, blah, blah, blah. What's your kind of advice on that?

So, I mean, previous job was in banking, but I was never subject to high net worth lending, what the process is, what you have to go through at FCA and whatnot. I don't know what your view is on that.

[Speaker 1] (13:31:38 - 13:32:13)

Yeah. So I have never done it, but I know board members that have looked at it. I think one board member has actually, or ex-board member has done it.

So I'm sure everyone in here knows you've got to be really careful with what you put on social media. You can't promise certain returns and things like that. And you can get regulated, but it's a lot of effort.

Josh, do you have any insight on that? No. Didn't Mo get regulated?

So, yeah, I think that is a very specialist area that I don't have a lot of, to be honest, I don't have a lot of hands-on knowledge on. Do you?

[Speaker 3] (13:32:14 - 13:32:15)

No, I don't.

[Speaker 1] (13:32:15 - 13:32:18)

No, Gareth. Gareth behind you does. So obviously you're regulated.

[Speaker 3] (13:32:18 - 13:32:53)

Yeah, so if you're offering, you're asking someone to invest money in a deal. So all I would be suggesting, if you're going to put it in a public forum, is that you have a deal available and that someone contacts you. Then you need to work out whether they are a sophisticated investor or not.

So it's not just being high net worth. So there are minimum requirements that they need to have to be classed as a high net worth investor, but they can also be a sophisticated investor, which means that they've invested in three unregulated investments prior.

[Speaker 1] (13:32:54 - 13:32:56)

Or they've earned over a certain amount of money.

[Speaker 3] (13:32:56 - 13:32:58)

Or they've earned over a certain amount of money.

[Speaker 1] (13:32:58 - 13:32:58)

250K.

[Speaker 3] (13:32:59 - 13:33:28)

250K, or I think it's a million pounds in net assets, not including their own home equity. But there is a bit of a shortcut around that where, as a sophisticated investor, you could lend 500 pound via a crowdfunding platform, which is an unregulated investment. You could do that three times, and you can evidence that you are then a sophisticated investor.

So it's just knowing how to play that.

[Speaker 1] (13:33:28 - 13:33:31)

And you have to get them to do some sort of questionnaire.

[Speaker 3] (13:33:31 - 13:33:32)

Correct, yeah.

[Speaker 1] (13:33:32 - 13:33:32)

So if you go...

[Speaker 3] (13:33:32 - 13:33:35)

It's on you to prove that they are.

[Speaker 1] (13:33:35 - 13:33:58)

So what I would do, so that's really good insight, and actually, yeah, so I would just go on Google and try and find one of those forms. Lots of companies ask you those questions when you're signing up to things. And it's, are you sophisticated?

Are you high net worth? And basically, there's like three or four things, like Gareth just said, that you have to qualify for. And if you were doing it by the book, you would get them to sign that, prove it to you when they invest with you.

[Speaker 3] (13:33:58 - 13:34:38)

It actually can work in your favor if they want a JV, because part of it is around a pooled investment. So if it's a JV, they are sharing the potential profits, but they are also sharing the potential losses. And that's where it distinguishes between the sophistication or not.

If they are lending you the money, it doesn't apply. So if you've got someone who wants to do a JV, you can actually say, well, look, you don't meet the sophisticated investor or high net worth individual. You can lend me the money for a fixed return, because if I lose money on the deal, I still pay you the fixed return.

[Speaker 1] (13:34:38 - 13:34:39)

And that's unregulated, isn't it?

[Speaker 3] (13:34:39 - 13:34:48)

Correct. So you could say, well, look, I'd love to JV with you on this, but you can't because you don't meet the criteria. However, if you lend me the money for a fixed return, that's fine.

[Speaker 1] (13:34:49 - 13:36:11)

Well, that's good, because you probably want to lend the money anyway. You want to get the money borrowed rather than JV anyway, don't you? Yeah.

Yeah. So a little bit of research. Maybe let's kick around the Facebook group.

I'm going to end there because we've got to get Rachel on stage. So just a reminder that I'm going to be doing the, Rachel talks about the AGM. So I'm going to be running you over the template very briefly.

So for those people that want to do it themselves, they can. And I'll also include a little bit about how to hold your AGM with your teams. So there'll be a little bit in there for mid-month mentoring next week.

And obviously, when it comes to our business plan of the day, just congratulations to everyone who secured the overnight space. You probably saw in the Facebook group, we're sold out for that now. So we'll all be having dinner together the night before, well, the night of the next workshop.

So after the workshop, we'll all go have dinner together. There are still some spaces for the day. So if you haven't done it yet, or you're thinking about it, I've actually saved five spaces for some of you guys.

After I do my mid-month mentoring, and I show you the template, for those people that are still thinking about it, and you think, I'm never going to be able to do this by myself, I'm going to need help, I've saved five spots for you to come and join me for the day. So if you're still in that situation, make sure you jump on the mid-month mentoring. I'll take you through it.

And then if you still want to do it, you can secure a space. If not, you can do it yourself. And that's it for me.

So let's give Rachel a massive round of applause. Welcome Rachel on stage. Thanks very much.

[Speaker 2] (13:36:17 - 13:42:16)

Wow. Mastering the art of using other people's money to make money. Did you enjoy that session?

Yeah. Yeah, was it good? Yeah.

Who feels a bit overwhelmed by it all now? Yeah, a little bit? Well, that's your opportunity.

You now have the financial toolkit you need to capitalise on this, and supercharge the growth of your businesses, should you need to. And I just wanted to finish on a really good example. So this, I talked to Susie about her journey on investing.

And she, as you know, you met Susie last week. Last week? Last month.

She was on the programme talking to you about women in property. But Susie, obviously she's board level. She won Deal of the Year last year on the board for one of her deals, which is not very sexy.

That's what she said to me when we talked about it. But it was for her biomass boiler deal. And obviously she is board level.

But I asked her what her tips would be for those getting started in the investor world. And when she started in property back in 2016 and started investing, she definitely used investors. And then now she works solely with joint venture partners.

And those are the guys that she did. They're all on the board. They're the guys that have done this biomass boiler deal with her.

But her tips really echo Adam's sentiments. So I thought I'd cover them with you, if that's all right. So she said five things.

First one, build the relationships before you need the finance. So the fact that you're all here today, and you're networking, and you're joining groups, and you're on social media. Tell everyone on social media.

I know we've just talked about some of the dangers of social media. But talk about social media. Tell people what you're doing in your world, in your market.

Let people know what you're doing. Make yourself investable. And then the second tip, come to the table with a plan.

So you need to know how much finance you're going to need to execute on your strategy. And we're going to give you that as part of the homework today. You need to know what you're going to need to get.

And then the third tip is look for the right person. Don't just invest with the first person that comes along. Have a really good think about what type of person you need.

Do you need a GAV partner? Do you need an angel investor? What kind of terms and returns do you need?

What works for you? What works for them? Yeah, that's the third tip.

And then the fourth, find someone whose values are aligned to yours. Yeah, it's really, really important. Because if you do that, if you go into a relationship with someone, whether they're an investor, whether they're a joint venture partner, you're going to have difficult conversations, yeah, at some point.

Yeah, that's going to happen. Me and Paul have had lots of difficult conversations in this area. And you need to know that your values are aligned so that you're going to treat each other in the same way and treat other people in the same way.

Yeah, really, really important. And then the fifth one, we've just touched on that. Thank you, Gareth.

It's on the right paperwork. So do plan for the worst-case scenario. Once you put these deals in place, just make sure, you know, you always think it's never going to go that badly, but it absolutely could.

So just make sure you do your worst-case scenario planning and make sure you're compliant, you do your self-certifications and make sure you've got everything in order, yeah? Sound good? Yeah?

Very good tips. They were from Susie, yeah? Right, just to finish on, mid-month mentoring this month, right?

So we've got this on the 20th of March. Josh is doing mid-month mentoring. So you know the drill.

We've got four 15-minute slots available. If you have got a particular issue or a challenge that you're dealing with right now and you want some help with that, then Josh will be on hand to give you that one-to-one coaching because we don't offer this unless you're on mid-month mentoring. So if you turn to page 52 in your workbooks, you'll find the QR code for it, and if you want to have some private mentoring time with Josh, then get yourself booked on.

And then just before we go to lunch, it's now time to do VIP private dining. We want to spend quite a bit of one-on-one time with you. I think I dropped this in the Facebook community.

We want you to bring your questions on your winter hit list to us. Ask us anything. We'll help you.

That's what we're going to do now. Obviously, this is chosen at random, so I'm just going to go through everybody's names. So if you look on the back of your lanyard, you should have those who are doing this should have a little coloured dot.

Adam is green, so anyone with a green dot is with Adam, and I have got Afam, Ed Henderson, Karthik, Natalie Carter, and Pat Harper. You're going to be sat with Adam. What colour's Adam?

Thank you. Josh is blue, and Josh is going to have Gary Das, Phil Verheul, Gareth Morgan, Jamie York, Jasmine Gill, Josh Harvey, and Paul Matthews. What colour's Josh?

Blue. Yeah, everyone was asking me this last month, and I'm red, so I've got Alan Hardwick, Dewey Davis, Hannah Morrison, and Nick Sinclair, and also Laureen Brown, you're with me. What's my colour?

Red. So what's Adam's colour? Green.

What's Josh's colour? Blue. My colour's red.

Right, it's just last month, everyone kept asking me what colour everybody was. Yeah, I just wanted to make sure that you know. So the journey we've been on this morning and today so far, it's been amazing.

We've taught you how to make money with the Bulletproof business model, haven't we? Yeah? We've also now shown you how to raise finance so that you can supercharge the growth in your business.

Have you enjoyed it? Yeah. Yeah, we've enjoyed it, haven't we?

It's been brilliant. So I want you back here at 2.30, yeah, after lunch. I want you to put your hands together now and give everyone a huge round of applause.