**PEP Session 2 - 04.03.2025\_Transcription**

[Speaker 5] (0:00 - 0:58)

Good night, that tonight's gonna be a good, good night. Tonight's the night. Fashion, like oh my god.

Jump out that sofa. Let's kick it off. I know that we'll have a ball if we get down and go on control.

Fill up my cup. Mazel tov. Look at her dancing.

Just take it off. Let's paint the town. We'll shut it down.

Let's burn the roof. Anyway. And do it.

And do it. Let's live it up.

[Speaker 12] (1:01 - 1:27)

Do it. Do it. Do it.

Cause I got a feeling. That tonight's gonna be a good night. Tonight's gonna be a good night.

That tonight's gonna be a good, good night. That tonight's gonna be a good night.

[Speaker 5] (1:28 - 3:19)

That tonight's gonna be a good night. That tonight's gonna be a good, good night. Tonight's the night.

Let's live it up. Go out and smash it. Like oh my god.

Jump out that sofa. Let's kick it off. Fill up my avatar.

Look at her dancing. Just take it off. Let's paint the town.

We'll shut it down. Let's burn the roof. And then we'll do it again.

And do it. And do it. Let's live it up.

Do it. Do it. Let's do it.

Let's do it. Do it. Do it.

Here we come. Here we go. We gotta rock.

Feel the shot. Body rock. Rock it.

Don't stop. Round and round. Up and down.

Around the clock. Monday. Tuesday.

Wednesday. Tonight's gonna be a good night. That tonight's gonna be a good night.

That tonight's gonna be a good night.

[Speaker 3] (3:32 - 6:41)

I never kissed a mouth that tastes like yours. Strawberries and something more. Ooh, yeah, I want it all.

Go dancing underneath the stars. Ooh, yeah, I want it all. I wanna be that guy.

I wanna kiss your eyes. I wanna drink that smile. I wanna feel like high.

Like my soul's on fire. I wanna stay up all day and all night. Yeah, you got me singing like.

Ooh, I love it when you do it like that. And when you close up, give me the shivers. Oh, baby, you wanna dance till the sunlight cracks.

And when they say the party's over, then we'll bring it right back. And we'll say, ooh, I love it when you do it like that. And when you close up, give me the shivers.

Oh, baby, you wanna dance till the sunlight cracks. And when they say the party's over, then we'll bring it right back. Into the car.

On the backseat in the moonlit dark. Wrap me up between your legs and arms. Ooh, I can't get enough.

You know you could tear me apart. Girl, take my heart. I never thought that I could love this heart.

Ooh, I can't get enough. Ooh, you got me feeling like. I wanna be that guy.

I wanna kiss your eyes. I wanna drink that smile. I wanna feel like high.

Let my souls on fire. I wanna stay up all day and all night. Yeah, you got me singing like.

Ooh, I love it when you do it like that. And when you close up, give me the shivers. Oh, baby, you wanna dance till the sunlight cracks.

And when they say the party's over, then we'll bring it right back. We'll say, ooh, I love it when you do it like that. And when you close up, give me the shivers.

Oh, baby, you wanna dance till the sunlight cracks. And when they say the party's over, then we'll bring it right back. Baby, you burn so hot.

You make me shiver with the fire. You got this thing you started. I don't want it to stop.

You know you make me shiver. Baby, you burn so hot. You make me shiver with the fire.

You got this thing you started. I don't want it to stop. You know you make me shiver.

Yeah, you got me singing like. Ooh, I love it when you do it like that. And when you close up, give me the shivers.

Oh, baby, you wanna dance till the sunlight cracks. And when they say the party's over, then we'll bring it right back. Ooh, I love it when you do it like that.

And when you close up, give me the shivers. Oh, baby, you wanna dance till the sunlight cracks. And when they say the party's over, then we'll bring it right back.

[Rachel Davies] (6:43 - 6:47)

Ladies and gentlemen, we're live on stage in three and a half minutes' time.

[Speaker 10] (6:48 - 7:16)

Gotta keep it down. Don't wait around for a signal now. Give me some verb, I ain't talking now.

You wanna ride in a six. You wanna down in a six. And when I lean for the kiss, you said I'll probably send you some bits.

And I'm like, hell nah, been waiting too long. Hell nah, I want that cool love. Hell nah, been waiting too long.

Hell nah, I want that cool love.

[Rachel Davies] (7:17 - 7:25)

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

Please take your seats.

[Speaker 10] (8:08 - 8:17)

Just hit the pedal. If things go wrong, it's just incidental. My bad, never got the memo.

That you never have fun while you're in the limo. You wanna ride in a six.

[Rachel Davies] (8:17 - 8:47)

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

Take your seats. Ladies and gents, this is your 30-second warning. Get ready to put your hands together.

We're live on stage in 30 seconds' time. Take your seats.

[Speaker 14] (9:01 - 9:18)

Don't mind, don't mind, don't mind, don't mind, don't mind.

[Speaker 16] (9:18 - 9:35)

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

[Rachel Davies] (9:38 - 10:26)

Hello, hello. Welcome back from the break. How was break?

Was it good? Lovely weather outside, it's absolutely beautiful. Right, welcome back, welcome back.

Get yourselves seated. Did we enjoy that session with Josh this morning? Was it good?

Yeah, it was really good, wasn't it? Right, so, this is where I might get into trouble. So, Supper Club!

Who was at Supper Club yesterday? Raise your hand if you were at Supper Club yesterday. I'm not sure I want a cup for that.

I know! It wasn't me, it wasn't me. Would anyone like to share their experience of Supper Club from yesterday?

Don't do that, come on then. Come on, one of you. Where's the box, where's the box?

Oh, thanks, John.

[Speaker 4] (10:28 - 11:30)

Wondering who I can drop in it now. Yeah, Supper Club was hilarious. It was quite an intimate group, which was really nice.

So, I've been to all of them, bar the extra one. And the banter last night was next level, I'll just openly say that. But it was just, yeah, obviously we all come with a problem, and a few of us didn't have problems, and we talked through some other stuff, but it's the smaller group, the guys in there, and gals, sorry, you know, right terminology.

They're just so supportive, and there's just some real experience in the room, in life and in business, and I think that's, I just think that's paramount. It's, yeah, it's always like, you know, a bit silly, a bit fun, but really, really useful. And, yeah, I think last night was pretty, I mean, tell me if I'm wrong, but I think last night brought us particularly close together in a way that we probably haven't yet, so it was really lush.

[Rachel Davies] (11:31 - 29:16)

Yeah, and what, thank you for that, Nina, that's lovely. Thank you for that, thanks, Nina. One of the things that I found, it's a real opportunity for you to just talk honestly about the situation that you're in, and I love honesty, as we all found out last night.

Because this is real life, isn't it? You know, we're trying to follow these blueprints, but blueprints are the perfect practice, and life isn't like that, is it? So this is all about real life, and if you're wanting to come to Supper Club, come with a problem, leave with a solution, but also get some fantastic input from some amazingly like-minded individuals, and be honest in the room, that's, you know, that's one thing that Supper Club is definitely for.

So the next one is on the, is on the 5th of May, and I think Josh is doing the next Supper Club, and there's four spaces left, so if you want to try it out, and you haven't done yet, then I highly recommend it, yeah, so that's one, four spaces left, so the QR code is on page 24, around page 24 on the workbooks, so please sign up to it, and do the QR code. Right, so now we're going to move on into the next accountability spike that you've got for your business, and for your team. Remember I talked about this probably last month, the next accountability spike is your AGM, and AGM stands for Annual General Meeting.

Who here's got a team, hands in the air if you've got a team of people? Yeah, quite a few of you. Those of you, this is, for those of you with a team, this is absolutely essential that you add this to your action list.

You need to book a date in to have your Annual General Meeting, and this is where you bring your teams on board. You know, the last accountability spike, when was it? What was the last accountability spike?

Pardon? Absolutely, Strategy Day, that was the last one, that's where you laid out what your strategic goals and objectives were going to be, but none of the detail really. This is the opportunity at the AGM to give them that printed business plan and give them the detail and the clarity that they need about the direction of travel that you're heading in.

Like I said, for those of you with teams, this is non-negotiable. You have to turn up with a printed business plan and walk them through it, because it fills in all of those details that you've been missing from the Strategy Day. Now, to help get you prepared for your AGM, what I suggest that you do, as I'm going to walk you through this in a second, but you need to have at least a day put aside to be able to plan your team meeting and also write your business plan, so that's what I'm expecting you to do.

This is all part of your homework. Now, you can either do it yourself or you can do it with us on the 9th of April. Those are the two choices you have, and I'm going to walk you through the business planning a day blueprint right now, so you've got that choice, yeah?

You can either do it with us or do it yourself, so this is then what we're going to walk through right now, but the ultimate goal of this session is that you write and publish a business plan and then you hold a team meeting. Now, if it's just you and your business partner and your virtual assistant, you can still have an AGM meeting. You can go out for dinner and discuss the business plan at dinner.

There are other ways that you can do this if you don't necessarily have a team, but what's it like for most entrepreneurs? As we know, most entrepreneurs don't have business plans. They don't have the clarity.

They don't have the focus. If you asked a team member what the business plan was or what their strategic goals and targets were for the year, it's very unlikely that a team member would know that. It's all in the entrepreneur's head, isn't it?

What we want to do, the whole purpose of this is to get it out of your head and win the hearts and minds of the people who work for you, because if you can't motivate your team to do the things that you want to do in your business, you will never be fundamentally successful and you will never reach your life by design. It's absolutely essential that they go with you on the journey. It has a really profound impact on team management if you have something like a business plan.

Equally, if you've got stakeholders or investors, it's a great thing to share with them, because it shows that you're serious. I know we've said this before, but I just want to make sure that you're understanding how important this is. What I'm going to do now is walk you through this, because there's no better way to do it than write your own business plan.

The six steps to your business plan in a day blueprint. Bianca is going to be giving you a template for the business plan. She's going to be sending that over to you by the end of the day.

Bianca, is it being sent by WhatsApp or by Facebook files in the community? Watch out for that post. Once you've got that, we're going to walk you through these six sections.

The first one is set up. When we do this on the 9th of April, we've done this before. We know it's proven it works really well.

We're going to walk you through what we suggest is the best set up that you can have. It looks a little bit like this. When I said you need to take a day out, you need to lock yourself in the library, take yourself to the Belfry, take yourself to a hotel, because it's going to be some really serious focused time for you.

Nine till six is what you want to block out of your calendar. That means no distractions, no phones, no meetings in your diary, no phone calls to take. You need to take yourself away from the business.

This is essentially a really big piece of business development. The main thing is this is a culmination of all the hard work that you've been doing for the last six months. Everything you've been doing on your homework, everything you've been doing with strategy and strategy planning and then strategy day presentations, it's all leading to this.

This is your business plan. That's what we recommend you do. You can see that the sections that we've divided up into link through to the template, the business plan template and different sections of that.

We want you to achieve it during prime time. These are really focused sessions where you get your head down, you do the work, you pull everything together. You want to come to this day really well rested and well prepared with some of the homework completed and some of that with you so you can actually pull everything together and write your business plan.

This is the end result that you're looking for, your published business plan. This is what it's all about. When we move on from setup, that's what to expect for your day.

The next minute is to do strategy. Strategy, you want to spend about 30 minutes on strategy. This is what it looks like.

Just give you an idea. On strategy, what I want you to be able to do is fill in your headline strategy, your supporting objectives, your vision, your long game plans and your strategic positioning. Because remember this morning we were talking about running a business that's got good margins.

You need to have a strategic positioning. How do you stand out? What's the niche that you're operating in?

Have all of that in there. You'll get a lot of that from your strategy day presentation and you want to finish that in about 30 minutes and that will get you to 10.45 in the morning. Then the next section is finance.

On that one, we've just introduced you to the business model this morning. If you do your homework this month, you'll be very well prepared for this. What I want you to be doing is your business model.

I'm popping that in here. Reviewing your commercial balance and looking for those sweet spots that we talked about earlier. Then your 12-month forecast.

Again, Josh is going to go through some of this on your midweek mentoring to get you ready to be able to put it into your business plan. Have you got any capital investments or requirements for the year ahead? What funds do you need to raise?

What loans do you need to consider? What's your dividend policy? How are you going to draw out of the business?

Have all of that, your strategy, written into your business plan. This might lead you to say, I don't want to share all of that with my team because that's quite sensitive information. Sometimes, some people have a business plan for their team and a business plan for their shareholders.

You can have two different versions if you've got sensitive data that you don't want to share. Just decide what you want this to look like for the right audience. That's finance.

Spend 45 minutes on that. Then operations. We did this last month, didn't we?

Methodologies, assets, performance, policies and process. Here, you want to spend 45 minutes on operations. You're getting all of this in a template, by the way.

Those of you taking photos, you're going to get this. It's actually in a template. What methodologies are you putting in place this year?

What's going live from the spring or from the summer? What assets have you been building? For example, for me, I've been building a brochure, a scorecard, a funnel.

These are the things I've been building out. Performance. If you've got a team and you've got key performance indicators and you've got scorecards or scoreboards, what's going live and what new policies and processes are going into place that you'll be planning out from the spring?

It's all right, Mandy, you'll be fine. Pop them all in here so you've got them all written down. Then when we've done operations, the next is team.

Remember, you've done a lot of this work already. This is not extra work. We're not asking you to do extra work.

This is everything you've been doing for the last six months. Mick, I don't want you to feel overwhelmed by it. Team, 45 minutes on team.

Who's doing drive, deliver, and detail? Who's doing the business development? That's your dynamos, the people who are driving the business.

Who's delivering? The tempos, the blazes, the sales, the delivery. Who's doing the detail?

Sorry. The finance and some of the operations or compliance. Who's doing all of that?

Get them written in. When you get into the template, you'll be able to click into an accountability chart. Who's doing what in the business?

What are the roles? What are the responsibilities? You can click onto that.

You can write everything in so you know. Lots of you, I know quite a few from supper club last night, taking on lots of new people. This is where you get the opportunity to organise that plan, have your accountability chart, know what all the roles and responsibilities are.

That's what you need to be doing for team. Then who are you recruiting or who have you recruited through winter? Is anyone getting a professional development plan?

Has anyone got a first contract, new contracts that you're bringing in? Have all of that written in here. Then what does your culture look like?

What's the year going? You've got all of these new team members. If you've taken on four new members of staff, what are you going to be doing?

Christmas parties? Are you going to be doing things like that? Christmas, summer, what is the culture club?

What does it look like? All your initiatives, get up and give back. Might want to go in there as well if they're getting involved with that.

You can put that in here. That's team. Then any other business you want to add into it, that's the rest of the stuff that you can put in the business plan.

That should get you to about the end of it. It should get you to about lunchtime. Then you've got marketing after that.

Let me just zoom back to this one. Into marketing at the end of the session. We haven't covered this in huge details yet, but you will have an idea about your strategic positioning, your niche, your offers, your mantras, your content calendar.

What are you going to be talking about on social media? What PPC campaigns are you doing? What's your marketing strategy?

What's your budget? What's the level of leads and sales and pitches you need to make to make the money that you want to achieve this year? That's what you need to finish on, pulling all of that together and finishing about quarter past three in the afternoon and then finalising it.

Going back through, checking that it all makes sense, checking that your teams are going to understand the information that's written in it. You want to keep it nice and simple and not complicated. Then this is where it gets you to.

There's business planning a day. This was everyone from the 9th of April last year who pressed to print at the end of the day when they'd done all of the work. It is a real culmination of all the hard work over the last six months that you've been doing.

If you trust yourself to do it yourself and you know that you can take the time out, put your head above the parapet and spend a day working on your business, not in it, and you know that you can do that, then you can do this yourself now. We've given you everything you need. But if you don't trust yourself, then there's still an opportunity for you to come on the AGM on the 9th of April.

If you think, actually, I could do with some help, we've got Shiv and Josh who will be there to help you do the business plan on the 9th of April. You can do that in three ways, remember. The one is stay overnight at the Belfry and do the AGM experience.

That's the code for it if you need to use it. There's spaces still left if you want to book onto that. The QR code's in the workbook.

The other is to do it virtually or to do it in the Belfry on the business plan in a day. So now is the time to do this. If you haven't pulled the trigger because you haven't been ready to make the decision, now is the time to do this.

The QR codes are in the workbook. But we don't want you to let yourself down. You absolutely must make the time to bring all of this hard work together.

Remember, this plan is going to last you from this April to next April. So it goes into 2026 as well. It's not just about when you finish PE in September.

It's for the whole year, yeah? So it's really, really important. And obviously, Josh and Adam are there to help.

And then also, Shiv is going to be doing mid-week mentoring to get you ready for your team AGM event. So he's going to help. If you've got a team of people and you want to know the plan of how to put this together with the team that you're going to be bringing in, 26th of March, he's going to be doing mid-week mentoring.

And if you've got any questions about the business plan, I'm sure he can help answer them then. So that's another one to tune into. So please put that on your action lists.

So that's any questions on the business plan and the team agenda for your AGM, 26th of March. So get that on your list. Right, so that moves us on into session two.

Who here likes raising money? Hands in the air if you genuinely do. Who doesn't like raising money and finds it really difficult?

Danielle's like that. Me. Brilliant.

And who doesn't know how? Who doesn't actually, not done it before, doesn't know how? So we're all at different levels and different stages of the journey.

And we talked this morning about making money. Isn't it great when you've got a good business model and you're making a lot of profit? That's fantastic.

But there comes a point in every entrepreneur's journey where we do run out of money. I know that me and Paul did. We ran out of money, couldn't buy any more property.

And it's very common for most property investors to try and do it with their own money and it can be slow and it can be laborious. But what we want you to get to is a place where you understand that money isn't a limiting factor, that you can raise funds and that can help you fast forward your growth. It can help you forward fund your projects and it can help you achieve more in less time.

And that's what raising funds is all about. And we don't want you to miss out on great opportunities that you say no to because you don't have the investment. And that's what today is all about.

And for some of you, I'll come to that in a second, for some of you, this might be a great reminder because you're very experienced and already navigating the funding industry. But for some of you, this will give you a really great grounding. So what we're going to do today is walk you through at a very high level all of the different fundraising tools that are at your disposal.

So whenever you're ready, you can come back to this. So if you don't feel ready now, that's fine. You can come back to this at a later stage.

So write some really good notes. But before we get into it, before I invite Adam on the stage, I just want to show you a couple of examples. So this bad boy is Richie Miller's 48-bed student HMO.

He's a member of the community. He's the only chap on Advanced who's actually won Deal of the Year twice. He bought this property in Sheffield, 48-bed HMO, and he did it with none of his own money.

So the asking price was 1.8 million. He bought it for 1.5. He negotiated it down, but he got value and lending against the value, not the purchase price. So he already had 300K to put towards the deposit.

Over the life of the project, he raised 818K. That's what he did because obviously the refurb was big. He made every room have an en-suite, and he put in workspaces and social areas.

So he massively increased the value, and he actually said that investors came on board more easily because he was putting money down into it as well, but it wasn't actually his money. It was the bank's money. He also brought on board the multiple dwellings relief discount that you get, so he reduced his stamp duty, and it was making 180,000 a year.

It's now making 300,000 pounds a year, and the GDV value in April 2021 was 3 million, and he did that with none of his own money. Pretty impressive, right? Yeah, really, really impressive.

This is the kind of thing you can do if you put your heart and soul into this and do the due diligence, know what you're doing, and this is what you can do. Another great example is Michael Taylor. He's a GP.

He came on Property Entrepreneur about two and a half, three years ago, and he'd never raised funds in his life before. He came on Property Entrepreneur and learned all the blueprints. One of the things I noticed about Michael was he was really good at executing the blueprints really quickly.

In his first year, he raised 200,000 pounds. He'd never done it before, and now he's gone from being a GP, full-time GP, to a full-time property professional. One of the things he's done really cleverly is he's used his niche in the health industry to help him find investors, so he's using his niche to stand out in the market to attract property investors, because GPs have money, don't they?

They're well-paid. They're interested in property. We've had lots of them on the course, and he uses that.

He's seen as an investable business now. He does PIN. He does events.

He's on webinars. He's on social media every single day, but this is what you need to do. You need to be seen to find the right investors and the right opportunities.

Who would like to find some opportunities this year? Who's looking at raising finance? Quite a few of you.

Are we looking forward to session two? Yes. Are we looking forward to session two?

Yes. Fantastic. Without further ado, let me welcome to the stage our very own award-winning entrepreneur, your head trainer, Mr. Adam Gough. Woo!

[Adam Goff] (29:28 - 42:47)

That's okay. Good afternoon. How are we?

Are we good to say yes? Yes. Do we all love money?

Say yes. Yes. Do we want more money?

Say yes. Yes. Well, you're in the wrong place, because I can't help you with that.

No. First of all, I just want to say congratulations to Rachel on hosting the best ever supper club I've heard. It was the number one supper club ever done.

You know, it's all about a woman's touch. We've been missing a trick for all these years, Rachel. We're lucky to have you.

But it's really nice to see you. Did you miss me last month? Say yes.

Yes. Did you miss me last month? Yes.

Okay, cool, cool. All right, good. Well, I decided to come back.

Yes, those stories about Richie and Michael, isn't that interesting? So the thing about Richie and Michael, well, Michael maybe less so, but Richie just had absolutely no experience. You know, when he joined Property Entrepreneur, he'd just come from the army, and he used his army education grant, which I think is about a couple of grand, to pay for his blueprint ticket to transition from being an army officer to entrepreneur.

And, like, honestly, we get to see who looks at the vault the most, which is our online resources library. You know, we can listen to all the content since 2021 on Advanced. Richie is consistently at the top, like the biggest viewer.

He just studies the blueprints. And, honestly, I'll stand on stage sometimes, and when I get a question from Richie, I'm like, oh, no, I know who this is going to be. He asks the most difficult, awkward questions every time.

Because he'll be like, two years ago you said this, and now you're saying this. Why is that? And I'm like...

So, yeah, I think... Why am I saying this? I guess I'm saying that anyone can do it if you become a student of entrepreneurship, which is what we're trying to teach you.

This is what we're here for. So, just a great example. Anyway, I wanted to start by saying...

Oh, by the way, and hello, virtual. Look at all these lovely, sexy people. Very good.

Hey, guys, how are you all doing? Nice to see you. So, I just wanted to say thank you for your participation in the Golden Ticket campaign.

You know, this is... You can sync my slides up there. One behind, please.

Thanks. So, this has been an amazing success. This is the first year we did it, and we really wanted to give you guys something to give to your friends and make it like a genuine...

Look, you're going to get a really good discount just because you're my friend or my employee or whatever. And this has been unbelievable, and obviously we're going to teach you marketing in the summer, but we followed our own blueprint on this, and it's just been a huge success. So, I just want to say thank you very much for your help, your participation, and, of course, you may have heard from Rachel earlier, we've sold out the first Blueprint event now, which is amazing, like three months ahead of time.

So, that's really cool. Our next focus now is going to be on our open market campaign because we haven't actually marketed the Blueprint to anyone, right? Like, our audience doesn't know about our Blueprints yet.

So, our Blueprint is to sell behind the scenes, and so what we've done is we've sold a third of our Blueprint seats without even talking about the Blueprint on social media, and that's the power of pre-sales. If you remember, I taught you that at the Blueprint on the last day, and we're going to talk about it in the summer. So, we are executing our Blueprints.

It's working, and I can't wait to share it with you. We're also executing our Winter Hit List Blueprint, and led by Bianca, we are making fantastic progress on the Winter Hit List. Everyone is doing really well, except Josh.

Now, he left the room because he's seen the slide deck. I was going to berate him in front of everyone, but Josh's team are in the reds, but everyone else has managed to hit the 60%. Who's hit 60% so far?

Two people. Who's hit 30% so far? Okay, cool, cool, cool.

You guys have got a lot of work to do. A lot of you, haven't you? Is that why you're looking a little bit stressed out right now?

He hasn't forgotten about that Winter Hit List thing. This is really important, because at the end of next month, we're going to be saying, right, you can finish off a couple of tasks, but then we're on. We're on to spring.

We've got stuff to do. We need to get this put to bed, so you need to make an extra effort. A little bit more behind-the-scenes stuff about me is I haven't decided to go and work on an oil rig, but I've been navigating the world of offshore.

It's such a hot topic right now, isn't it? Offshore, too much tax in the UK. The UK sucks, blah, blah, blah.

You're hearing it all, and some of you are probably already thinking about leaving. No, I mean, I like the UK, but when I moved offshore in 2023, I knew I was going to make some mistakes, and one thing I wanted to share with you is that it's not all peaches and roses, basically, or roses and sunshine. I knew I was going to make some mistakes when I went offshore.

I knew that getting into anything new, whether it's a new industry, a new strategy, a new business, a new relationship, you're going to mess up because you don't know what you're doing, do you? So I knew that, but arrogantly I thought I'd probably be all right. But no, I made a massive assumption about the Indonesian tax system that was completely wrong, and now I'm having to basically have a big tax audit and go back over my last couple of years' accounts and probably have quite a big tax bill as a result.

Overall, I'll be better off in the medium term, but in the short term, I'm in the pain zone right now, and it sucks. So as nice as Bali is and how amazing going offshore is, I promise you that like anything new, you will make mistakes. I have made those mistakes, even though I knew it was coming, and I thought I could avoid it, but I can't.

So I just wanted to be really honest with you about that. So that's actually been a pretty big challenge, and it's very boring going through the last couple of years' accounts and redoing them all, and it's like death to a blaze, but I'm getting there. Anyway, so that's me, and that's what's been going on in my life.

But let's talk about you. Let's talk about how you can understand fundraising to master the market. So the way money works generally with entrepreneurs is we like to completely avoid the conversation.

We don't want to talk about profit. We want to talk about revenue. We don't want to look at the bank balance because it scares us.

We don't want to know what we're spending on a monthly basis personally or in the business, and we wait till like the end of the tax year plus six months or nine months when we've had our meeting with our company accountant to find out how much money we made or lost. Sound familiar? Yeah, because we just don't like finance, but that cannot be the way because you will not be successful unless you master the things we're teaching you today.

Like that's just, you might as well put your pens down and drive home now because if you think you can get away with it with more growth, you can't. So the reason we teach you how to make money in session one is because most entrepreneurs obviously don't. The reason I'm teaching you fundraising now is because it's one of the three types of leverage which I'll talk to you in a second which you need to master as an entrepreneur, and then we talk about keeping it after lunch because no matter how much you make, if you're not watching the bottom line and managing your money, then you'll never build wealth which is what we are all about is money in the bank, assets behind you because most entrepreneurs will basically wait until it's too late or wait until they need money to go and raise it, and the moment you need money, then you're backed up against the wall and you're in a stressful situation, and what do you come across as when you're asking for money?

Desperate. Desperate. Yeah, exactly.

Desperate. So I was going to make another joke about Josh, but he's not here, so I can't. But yeah, like me in my 20s running around Clapham trying to meet girls.

Just desperate, you know. It's just oozing off me. You know what I mean?

It's like radiating. I don't even have to open my mouth and they can tell that I'm desperate. And that's what it's like as an entrepreneur.

So what we've got to do with our business plan is see the need for capital coming and start having irons in the fire and getting educated now so that when we come to raise finance, we've got buttons on our dashboards, we know which levers to pull, and we don't have the sort of overwhelmed stress that I know I've had as an entrepreneur when I've had to find lumps of money very quickly and it's been super, super stressful. Understanding this means we understand, as I said, it's a form of leverage.

Now, there are three types of leverage in business. Does anyone want to hazard a guess as to what they are? Three types of leverage in life or in business.

Anyone want to give me one form of leverage? Can't see the microphone. Other people's time.

Exactly. Labour. Yeah, labour.

That's a good one. Another one? Money.

Well done. The third one? Almost.

Knowledge was almost. Skills. Skills.

Oh, sorry. Mistakes. Tech.

Okay, technology. So if you can learn to leverage... Leverage is how we make things bigger than ourselves.

So if you can learn to leverage other people's time, technology, and money, then you can multiply wealth creation. That's what it comes down to. And so if we don't learn to leverage money, then we inevitably will limit our growth.

If we just employ ourselves, we will only grow so far. If we only use the £10,000 that Grandma gave us when she died, we will only grow so far. That's just the reality.

And if we only use bits of paper, then we'll only get so far. So we need to learn fundraising in order to master this art of leverage. There's lots of different types.

The thing about finance is it is a moving target. So every year I do this session, and every year it gets rave reviews, but every year it changes. I have to update the slides.

It's actually really annoying because I have to keep updating the slides and the rates change and things move because it is fluid. It is a moving target. So what I'm teaching you now will be different in 12 months.

It will be different in six months after that. So we just need to understand it. Generally, the principles don't change, but things in it do change.

And obviously we have tough finance markets and we have people giving away 125% mortgages. It goes through cycles. This is just a key part of mastering the market.

So this is where I think we really add an X factor at Property Entrepreneur that I don't think many other people are able to offer, and it's because we have the ginger boffin sat in the cave studying economics. That's just Josh. We've also got Dan who also does stuff.

So I lock him away and I only bring him out on special occasions because his superpower is to figure out where the market's going. If you remember his model that he presented with us at the super event, that's his prediction. For the most part, it's right or it's wrong by quite a small margin of error, and we can all take solace in that.

So the first thing, there's three things to master the market. There's where is it going, which is the model, all right? And then once you know the sort of model, interest rates, GDP, what's going to happen with all that sort of stuff, then you've got to go and find the deals.

So where are the deals that fit into this model? And Dan did share some at the super event, but he is going to share some more at the next super event, and I'm going to give you a little slice of it today. And then, of course, once you know where the market's going, you've got confidence, and you know where the deals are, then it's how am I going to fund them?

So this is how you do those deals that Michael did, that Richie did, that Dan does, that I've done, that Josh does. Funding them is about knowing the rules of the game and how to play the game because finance is a moving target. So you need to understand the funding conditions to be able to, and if you have all those three, then you can master the market.

Okay, let's get into this. So these are the different types of funding. So when you start, you're in the start-up phase.

This is the beginning phase, the start-up phase, and it's both debt and equity, and there's types of funding for that phase. Then you've got the emerging sectors, which is a bit more up-and-coming types of raising finance. I'll talk to you about those, like crypto and crowd and stuff like that.

Then you've got charged funding, where obviously you can charge it against an asset, whether it's your good looks or your property, you can actually charge money against those. Open market, which is retail banking, effectively. Relationship funding, which lots of you will probably already be using, which is when you are lending money, raising money from people you know privately because they know, like, and trust you.

And then you've got the government, who often throw in grants, initiatives, loans, especially in times of economic hardship, et cetera, to get you going. So there's a range of tools in the toolbox, and we need to understand them in order to maximise our opportunities in this space. So let's go into start-up.

Before we do, let's ask a very, there's no such thing as a silly question on Property Entrepreneur. So how does, so the difference between risk and reward in fundraising, how does risk versus reward affect fundraising? It's not a trick question.

It's just really just to check that everyone's on the same page. Yes. Good catch.

Well done. Bless you.

[Speaker 11] (42:47 - 42:50)

Usually the greater the risk, the higher the reward.

[Adam Goff] (42:50 - 52:43)

The greater the risk, the higher reward. Spot on. Let's give a round of applause, please.

Well done. Exactly. That's what it's all about, isn't it?

You're going to pay more when you're a riskier proposition, and you're going to pay less when you're a less risky proposition. Perfect. And obviously, when it comes down to funding, risk versus reward, the deal is the most important point.

Whether they're lending money on you as a business, that's a deal, or whether it's the property deal, the right deal or business or property will always attract the funding. Because if it stacks up for an investor and they can see the margin, they can see the profit, you will have less challenges in raising money than if, frankly, there's no money in the deal. That's when you're really going to suffer.

So the key in the mastering the market part is to figure out where the deals are. And if you've got the market, you know the deals, then the funding almost becomes inevitable if you follow the blueprint. So let's talk about this startup phase.

So when you're in the startup phase, needs, musts, when the devil drives. Who's heard that saying before? Needs, musts, when the devil drives.

Rachel's because I've heard her say it. It's one of my ones that my dad loves to say to me all the time. Needs, musts, when the devil drives.

That's what he says. Needs, musts, when the devil drives. What does he mean?

He means basically when you haven't got a pot to piss in, you'll do whatever it takes to get the money. Can everyone relate to that? Okay.

So it's like I'll give you loads of return, I'll split the equity with you, I'll come round and mow your lawn on Saturdays, I'll clean your car. Everyone done that for an investor? Yeah, I'll do whatever it takes.

Whatever you need, I'll do it, because I don't have a lot and I need you quite badly. So when you've got nothing to secure it against, then you are just doing it on your goodwill, and this is unsecured lending, so it tends to be quite expensive. This would be the high risk, high reward.

Now you are high risk because you're just starting out, and if you can't secure it against anything, it's even more high risk, and so you are going to normally pay more for this. This is just the way it is. You have to earn your stripes and go through the levels.

For the most part, if you are sat here and you're in this phase, the only real way you're going to raise money is from people who know, like, and trust you. Now for those people that have been on Mastermind, you teach this quite a lot, don't you? This is quite a big part of Mastermind, is it?

It's nod or shake? Yeah, so you guys will be very familiar with this. For those people that don't, the reality is that the people you've worked with, the people that you know, the people that are in your network, even though it might be a bit awkward, they will have money, and they'll probably be sat on it because they're not professional investors, and actually the idea of investing in gold or crypto, people sometimes invest out of fear, but they might not invest out of fear too, and so to actually see you buy a house or because they trust you, they'd be quite happy to lend money to you. Now I don't think Freddie's here today, is he? Because I saw Freddie doing quite a lot of posts on this on his social recently.

Anyone follow Freddie on social? I think he had a post the other day, if you've got 50 grand in the bank earning no money, message me. Did you see that?

Yeah. Yeah, did you message him? Yeah.

Good for you. Yeah, there you go. You see, everything you need is right here in this room, and it's like, absolutely.

There are people sat there with money in the bank just going, well, actually, yeah, it's earning me nothing, and so this is the no like and trust element where it comes in. It's normally friends and family. The reality is that you are going to have to dilute what you're doing some way, and if you're paying quite a lot in interest, what we do is we, one way to look at it is, let's just say that Cass lent Freddie some money, but she wants 25%, you know, because she knows Freddie needs to do a deal, and she's like, no, I need to lend it 25%.

Freddie's going to go, oh, that's a lot of money, 25%. Yes, it is, but if it's, for example, the deposit for a property, and then he can lend the rest of 75% at 6%, then he might take a business view and go, well, actually, blended, that's actually, I don't know what that is. Who's good at math?

Oh, my God. Let's give Neil a round of applause. 15.5. Is that true? Someone check that, please. We have to check that, right, because he's so arrogant the way he says it. It was like, dead pat.

No, that's awesome. So you're autistic as well as a genius. That's great.

Yeah, so there you go. Now you've got a blended rate. You're like, actually, that's not as bad.

You know, that might be typical bridging rates or something like that. So you can kind of get your head around it. Sorry, Neil.

I didn't mean to be, I don't, I know you can take it. I hope you can, anyway. Otherwise, those good reviews I was talking about, it's just gone out the window.

It's like, poof. Okay, so basically, we're looking at a blended rate. We might pay dear, but overall, we need it to get going.

And generally, though, you shouldn't really pay over 20%, generally, right? That's getting into silly, silly money. And don't forget that everybody can get a 25K personal loan from your Barclays, HSBC, Santander app.

If you haven't done that already, there's money there waiting for you. Just don't say it's for what? For a car or, there's a couple of things you can't say it's for.

But unsecured personal loans up to 25K is there. And the rate will be single digits. So that startup load, that startup, sorry, there's also the startup loan.

Now, this is now run by the British Business Bank. And this is a personal loan that you can take, backed by the government, but it is still personally guaranteed by you. So it's basically a personal loan that you can use to start or grow your business.

You can have up to 25K per director and up to four directors, as long as you're a UK resident. And many people, I'd say 10 plus that I know of in property entrepreneur over the last few years have used this successfully. So this is quite a good example of quite easy.

This is probably, should probably sit in the government section, but lots of these sections overlap. So yeah, if you haven't done those two things, there's 50 grand right there. I mean, that's five years of property entrepreneur course fees paid already.

So you've got no excuse. My story about when I got started. So in my business, I started with 12,000 and I was able to recycle it because it was rent around.

I never had to raise money specifically to get started. I was very lucky in that sense. But when I wanted to buy my first house, of course, being an arrogant young man, I didn't just settle for a two or 300 grand start at home.

I wanted the 1.1 million pound house in Clapham, obviously, right? So it was very hard to get finance for that. I was told I could get a loan by my broker.

I went and secured the house and did the deal. And then I got turned down in the application phase for the mortgage. I was like, damn, what am I going to do?

But this is a very good example of kind of, well, it is really whatever it takes. So at this point I went to some friends or people that I'd worked with in capital living. So my landlords, I had some quite wealthy landlords and I pitched the offer to them.

I said, this is the deal. The bank's turned me down. I'm good for the money.

I can share my numbers, et cetera, et cetera. And one of the guys actually did reply and we sat down and we worked it out. And in the end, he lent me the money.

I had about 10% for the deposit. He lent me the rest of the money like a bank would. And he took a first charge on the house, which was awesome.

Obviously, that's quite a lot of money. It was the best part of a million quid. But the deal really favoured him because he needed me.

I mean, sorry, I needed him really badly. So I was paying him a fixed interest amount and I was prepared to split any capital uplift with him. Now, back in that day, the London property market was booming.

So house prices were going up 10%, 15% a year, probably in this era anyway, probably for like five or six years before. So it was very much a I'll give you whatever you want, what do you want kind of situation. But it got me going.

I bought the house. Eight months later, because after six months, of course, you can refinance. Eight months later, I refinanced the property for £200,000 more than I bought it with a bit of clever jiggery-pokery and adding rooms and sweet-talking the valuation agent.

And I was able to refinance him out. I paid him £50,000 for the trouble because obviously he'd only been in the deal eight months and he hadn't earned that much interest. I said, look, how about I refinance you out?

I'll give you £50,000. You've earned about £75,000 from this transaction in six months or eight months, and he was happy with that. So eight months later, I now own this asset, which I still own today, using other people's money completely but by cutting a creative deal.

And when you're starting out, that's what you need. Obviously, I had no like and trust, so I had the credibility, but I was able to be creative on the deal, which got him excited. He had security, and in the end, I paid him a handsome fee for doing it.

So that's just, that's how we get going with things like this. We have to think outside the box to make it work. Okay, so that's startup funding.

Let's talk about the emerging funding market. But before we do, the difference, what's the difference between debt and equity? We've got the mic there.

Tina, thank you. Yes, Danielle, thank you very much. All the world-class women today are just answering the questions.

What's wrong with the world-class men? Has Kat got your tongue or something?

[Speaker 4] (52:43 - 52:49)

Has it? Sorry, I thought you were, I was waiting for Tina.

[Adam Goff] (52:50 - 52:50)

Oh, sorry, Nina.

[Speaker 4] (52:53 - 52:54)

So what? I just didn't want to overstep Tina.

[Adam Goff] (52:55 - 52:57)

Actually, Tina. Give the mic to Tina.

[Speaker 4] (52:57 - 53:01)

Yeah. Sorry, you were like, I'm worried about that.

[Adam Goff] (53:01 - 53:03)

Sorry, slip of the tongue. Freudian slip.

[Speaker 4] (53:03 - 53:06)

That's all right. We'll just call you Josh later and see how you take it.

[Adam Goff] (53:06 - 53:10)

You can call me whatever you want to call me. It's just not Josh.

[Speaker 4] (53:12 - 53:34)

So debt is when you borrow, say, 50 grand and then they get like a fixed, like, 6%, 10% return after X amount of time. Equity is where they put in more, but they get in like a certain percentage. So they'll put in, say, kind of like 500,000 across 10 years, but they won't get like a return.

They'll get that at the back, but then they might get like 40% equity across that time as a dividend.

[Adam Goff] (53:34 - 1:02:18)

Exactly. Well said. Let's give a round of applause, please, for Nina.

Thank you, Nina. Thank you, Nina Phillebenes. Yes, please, I'd love it back.

Thank you very much. Great. Very netball-y, that was.

Did you play netball? Basketball. Basketball.

Very good. Oh, crikey. Jesus.

Bianca, what are you trying to do to me? Debt is a fixed, guaranteed return. It has to be paid back.

It's due back. And there's a fixed rate. There's fixed terms.

You can raise debt from a bank and never meet the bank. You don't have to take them out for coffee. You don't have to do any of that nice stuff.

You don't have to mow their lawn on Sundays. It's in the contract. Equity is a slice of the pie.

You become a partner. You're now on the other side of the table. You are in it with them, or they're in it with you.

You are married. If the ship goes down, you all go down together. So it could be the cheapest type of money you ever raise, but it also could be the most expensive type of money you ever raise, because if the business does really well, they can 10x, 20x, 50x their investment.

That's the difference in debt and equity. And you need to understand when to use both in different circumstances and what suits you, and frankly, what you're able to do. So let's look at the emerging finance sector, the bit more exciting stuff.

First things first, traditional banks are dead. Sorry to break the news, but if you think you're going to raise 300 grand to save your business in the next four weeks, and you think that by booking a meeting with your Barclays relationship manager is the holy grail that's going to answer all your problems, I've got news for you. It's not.

First of all, it might take two weeks to get the appointment. I'd be surprised if you'd raise the money in six months, and I'd be very surprised if they lent it to you at all. Retail banks are dead, as far as I'm concerned, in my experience.

They're great if you've got loads of time and if you don't need the money, but as soon as you need the money, especially if you've got no assets, I think they're very, very hard. There are better options out there now, such as crowdfunding. Crowdfunding, I mean, these are fast-becoming banks, and every year they seem to get a little bit more red-taping.

Crowdfunding, peer-to-peer lending is what P2P stands for, and you can actually do some stuff with crypto. So this is where I've had experience in raising money slightly easier. Obviously, we've talked about the difference between debt and equity.

Now, you can use crowdfunding and probably peer-to-peer lending for both debt and equity. So you can raise debt in crowdfunding, and you can sell equity in crowdfunding. So you can do both.

That's really important, and I'll tell you a story in a minute about how I raised over 200 grand in 14 minutes using crowdfunding and debt. And there's a new product that's come out, and I wonder if anyone has used this. Who's used Bridge to Term?

Because you might know if you've used it. Anyone heard of it? A few people have heard of it.

Chris, Craig, Adrian. Yeah, Daniel. Yeah, Daniel, Kat.

Cool. So this is a product now by the sort of newer banks. They certainly don't have high-street branches, these banks, like the sort of Shawbrookes, Kent Reliance-style banks, where you can actually get on one product that will take you through the whole property transaction.

So you can start off on a bridge to buy the property. Then they might lend you the money to buy it. Then they'll lend you the development finance to refurb or develop.

And then, obviously, once you've done that, they can put you on a more normal-term product at the back end. So you don't have to have people who have a lot less stress. You know in advance what it's going to cost you, so you've got a guaranteed exit.

You're not then stuck on a bridge, which, let me tell you something, in the last few years, the people that come to these workshops the most stressed, overweight, and with bags under their eyes are the people that are on bridges. It's kind of sad, but it's really stressful. So you don't have to do any of that, and it's just one set of fees.

You know exactly where you are. Now, this, frankly, has changed the game. This never used to be around back in the day.

And in this sector, you're going to pay between 10% and 15%. That's what you should be paying. And that includes the fees, because the fees, the hidden fees in these areas are what gets you.

Now, something to just write down and understand is that when you're in the commercial lending space, you don't have any consumer protections. All right, this is the big boys and girls club now. You know, we're in the big boys and girls club, and it's the shark tank, and you're swimming with the sharks.

And so they don't have to, like, read you your rights and look after you and responsible lending. When you're borrowing money commercially, it's just dog eat dog. So you've got to read the small print.

You've got to understand what you're doing. It's a whole different kettle of fish. So that's really, really important.

So that's where the fees come in. Some of the fees now are outrageous. Has anyone been spotting the fees?

You know, they are bonkers. So this is the product that Shawbrook, I think, brought out actually this year, which is this bridge-to-term product. So buy on a bridge, refurb, and then into a long-term loan product.

Happy days. What a great product if you haven't heard of it. One to look into if you're in that space.

Crowdfunding, this was the platform that I used to raise £230 in about 14 minutes for debt in my business. So debt in my business. I had a broker, so they spoke to a few crowdfunding platforms.

I had one year's accounts that showed £230,000 in profit, and their criteria was, we will lend you one year's profit of your last year's accounts. Happy days. So I sent them one year's company accounts.

They came back. They had all sorts of quotes, all sorts of fees. They negotiated the fee down for me to about half.

The fee was about 12K. I think it came down to about 6K. And when I raised this money, it was a fantastic facility where I could pay the debt back at any point.

I had it for five years. I could pay it back at any point for one month's interest penalty. So it's like an overdraft facility, and this really helped me with scaling my financial fortress because all of a sudden I had a lot more liquidity in the business.

I could lend it to my other companies, which whether that's allowed or not is neither here nor there. I don't know. I didn't read the small print on the place.

But I lent it to one of my other companies, and all of a sudden, you know, we're in business. You know, and it was like now I could buy property number two, property number three, leverage. How long would it have taken me to save that money up?

Well, I was making so much money probably about six months. No, I'm joking. But, you know, to get 300K on the balance sheet takes a while.

It's slow, right? So this is what I mean about leverage. Funding Circle is the main player in this space.

You can go to Funding Circle direct, and they will give you all this. They can give you a quote. La, la, la, la, la, la.

If you want my advice, I would probably go through a broker because when I was going through all this, now, you know, it was a couple of years ago, granted. But the brokers, the fees are the same, but the brokers are able to negotiate the fee with the crowdfunding platform because they'll pit other crowdfunding platforms against each other. If you just go to funding, who's had a letter from Funding Circle?

Sorry, who's had 100 letters from Funding Circle? Yeah. Josh, you haven't had any?

No, not surprising. Not with your haircut. Oh, thousands.

Yeah, all right, cool. Whatever. Yeah, so I would recommend going through a broker, actually.

I'd try and find a broker and let them play the game for you. You'll actually end up probably paying less in fees, not more. That was my experience, little top tip.

In terms of actual crowdfunding for property, I know that Dan, I remember he used it for this deal, has used crowdproperty a number of times. Who here has used crowdproperty? Chris?

Is that it, really? Wow. Who tried to use them and got rejected?

No one. Oh, interesting. I wonder why.

Yeah, so if you've got equity, this is a great platform. Normally I ask for people to share experiences, but no one here has used crowdproperty apart from Chris. How was your experience, Chris?

Let's get your mic. Is it here? Yes.

Get Chris a mic. Shall I put a spin on that?

[Speaker 9] (1:02:19 - 1:02:20)

Six nations.

[Adam Goff] (1:02:20 - 1:02:22)

It's good, isn't it? Thank you.

[Speaker 9] (1:02:22 - 1:02:52)

Didn't end up going all the way with crowdproperty, but I do use them very often just to get a quote and an approval in principle on a deal that will allow me to get that over the line with a seller, for example. Nice. So if I can demonstrate to crowdproperty how I can add value through permitted developments or whatever, they're quite happy to give me a quote and say that they will lend me that money.

They're not cheap. Roma are cheaper. There's other people that are cheaper.

[Adam Goff] (1:02:52 - 1:02:53)

Yeah, they're quite expensive, aren't they?

[Speaker 9] (1:02:53 - 1:02:53)

Yeah.

[Adam Goff] (1:02:54 - 1:03:00)

Interesting. So you use it to do the numbers and say, look, I can do the deal, and then the lender gets confidence.

[Speaker 9] (1:03:00 - 1:03:08)

The application form is so simple. You can ring someone up and speak to them and they'll get an offer out to you. Perfect.

That's a great tip, isn't it?

[Speaker 14] (1:03:08 - 1:03:08)

Yeah.

[Speaker 9] (1:03:08 - 1:03:09)

Nice one.

[Adam Goff] (1:03:10 - 1:03:22)

Yeah. Thanks, Chris. Let's give Chris a big hand.

Thank you, mate. Yeah, Andrew. Nice.

You're a rugby man, aren't you? Good man. Here we go.

Ooh. How are we doing, Andrew? Are we good?

I'm good.

[Speaker 13] (1:03:22 - 1:03:29)

Nice to see your smiley face. Good to see you too. Thank you.

I've not used it to borrow money, but I've signed up as a lender and a borrower.

[Adam Goff] (1:03:29 - 1:03:29)

Oh, yeah.

[Speaker 13] (1:03:30 - 1:03:45)

So when you sign up on both platforms, sides of the platform, you can actually watch the deals that are actually being funded and what the equity split is, what the rates people are offering, et cetera, how many shares they're doing. Yeah. So when you do both, it's really good.

Lender and borrower.

[Adam Goff] (1:03:46 - 1:06:05)

That's another great tip, isn't it? Yes, because you want to see mastering the market, what's happening. Wow, what a great tip.

I've never heard that before. Thank you very much. Give Andrew a round of applause.

Good man. I love your diligence, I have to say. I get the sense from you that you are a very diligent...

Is that... Would that be saying? Was that right, Stephen?

Is that right? Yeah, he's a student, isn't he? Love it.

Look at that. Top of the class. Right, can we all just take a leaf out of Andrew's book, please, right?

Do you see what I mean? Leave it as you'd like to find it. That's just generally how we like to roll.

Good man. Okay, and this is back, okay? Crypto loans.

Don't glaze over, all right? Because I said crypto, all right? But there is a big school of thought which says that if you do own Bitcoin, you should never sell it because it's an asset that you can borrow against now.

So Coinbase have just launched their loan. USDC, for those people that don't speak crypto, is just like the dollar version of... One of the dollar versions of crypto.

It's a dollary crypto. Does that make sense? Dollary crypto?

Write that down. It's a dollary crypto, yeah? It's basically what we call a stable coin.

It means it's always worth a dollar. It doesn't go up and down like Bitcoin or other ones. And they will just loan you literally in minutes and say, right, stake your Bitcoin with us, which means give us your Bitcoin to hold, and we'll lend you some money against it.

So anyone who is holding Bitcoin, you don't necessarily have to sell it. You could raise money, and then you can obviously use that money to fund your deals and do that sort of stuff with it. People do this with share portfolios all the time.

Anyone who's got high net worth friends or is a high net worth, if you've got big share portfolios or you're being managed by a private wealth bank or something like that, they will lend you money on your assets. Coots will take a look at you and they'll just lend you money if you've got assets. Once you get above a certain level, the kind of level that Dan's playing at, people are just throwing money at you because they can collateralise your whole net worth.

Okay, cool, right. Let's talk about charge lending. So what is the difference between a first and a second charge?

James, I'm picking you, mate, because you look really bored. So you've got to smile, man, when I'm delivering these sessions or else I'm just not going to bother coming back from Bali, do you know what I mean?

[Speaker 15] (1:06:10 - 1:06:17)

So first charge is the lender has the security against the asset.

[Adam Goff] (1:06:18 - 1:06:18)

They do.

[Speaker 15] (1:06:18 - 1:06:28)

And they are first refusal, if you were. First dibs. Second charge, you will then get whatever is left if you do need to reclaim the asset.

[Adam Goff] (1:06:29 - 1:14:41)

Exactly right. Let's give James a big hand. I'm only joking, by the way.

I'm only joking. I know you're concentrating. Concentrate, face.

Yeah, so exactly right. So if you are the first charge, then you're first in line. You're the king.

You are the one. You're number one on the list and you'll probably control the sale, potentially, because you are the biggest creditor, if it ever went to that. If you're in number two or number three, then good luck getting your money back.

I'd say it's quite high risk. By the time someone else sells the asset for you and they've taken their fees, there ain't going to be much left. Let me tell you that.

So if you live in that second charge space, it's a very uncomfortable space to be, especially if the first charge lender has got like tiered interest rates, if you miss payments. So often these lenders will be like, well, yeah, it's 12 months, but after 18 months, the interest rate goes up to this and 24 months to this. And once they start stepping up their interest rates, the equity just disappears.

So the risk at second charge is much greater than at first charge. If you are a lender, obviously if you're an investor, you might need to find second charge lenders to help you fund the properties. So this is really important to understand the difference.

Of course, if you are first charge, like my first investor was, then you have a lot lower risk. And I'm going to be able to give you, I'm going to give you a lower return for that. Yes, I said my investor was getting about 7% back in the day on that deal.

So lower risk, lower return, because it's asset backed. If you've got an asset and you can give it to them, then that's where lenders want to be. They want to live in this first charge space.

Otherwise, unless they're specialists and they want to charge you through the roof for it. Again, your target market should be friends and family. I mean, obviously you've got banks and stuff we're going to talk about in a second.

But when you can give security, even if it's second charge, it's still a form of security. It's something you can still give to a family friend or a family member or a friend or a colleague. So you are giving them something.

It's not nothing. And obviously if the house is worth a million and you've only got a 600 grand mortgage and you take a 100 grand loan, they've still got 300K there of cushion. So it's not nothing.

It's definitely something. And some lenders are very open to allowing second charges. Kent Reliance is one of them.

That's why Kent Reliance is good. Kent Reliance also do advances as well. So if you've got like a 600 grand loan on a million pound house, they're very easy to get advances out of.

So you don't even need to go and raise money. You can just borrow up to their maximum LTV. I really like working with Kent Reliance for that reason.

Obviously these rates are going to be less, right? So if it's short term lending, it's going to be more expensive. If I need to borrow 100,000 pounds really quickly for six months, to be totally honest, if I'm a lender, if I had 100,000 pounds and James came to me and said, Adam, look, I know you've got 100 grand.

Give it to me. I'd be like, okay, cool. But James, I'm not being funny, but unless you can give me like 15, 20%, I mean, 100 grand, 20% of 100 grand is what?

20 grand. So for six months, that's 10 grand. So I've got to go through all the hassle of getting a solicitor, talking to you, like, what's happening to you all the time?

Do you know what I mean? For 10 grand. By the time you pay the solicitor, what, a grand?

And that's at 20%. So if it's short term, it's actually quite hard to borrow money short term because for the investor, it's like, well, I'm going to give you 100 grand and I'm going to get like, what, eight or five? It's like, do you know what?

I'd rather just do nothing, actually. So that's why it has to be more for short term. But as you get longer, you can start to space it out and the rate should come down eight to 12, five to 10.

If you're giving first charges, then, you know, banks and stuff are going to charge you between five and 10. Private, probably the same. You know, you should be able to get private lending first charge for under 10%, really.

I mean, 100%, even in this market. But bridging is going to cost you a lot more. You know, you're going to get into the sort of 1% a month range.

That's pretty typical, but by the time you add in fees and things like that, you're looking at, it could be as high as 18%. Just let everyone write all those down. Okay, who wants to see Dan's new deal?

Yes. Good, good. Who wants to see Dan's new deal?

Woohoo! All right, let's go. So this puppy, it's a small one, all right?

He's buying the penthouse up here. No, I'm joking. This isn't actually the unit, but he says it looks like this.

He doesn't want to give the unit away because he hasn't actually bought it yet. He's a sneaky little bugger, isn't he? Yeah, he said yeah.

Yeah. But he's actually still on stage on advance a while ago and said look, there's these three deals that I think are really good. He said I'm not going to buy them.

Anyone can buy them. They're in Mansfield, Hucknall, and somewhere else. He waited a month and literally on the morning of the advance the next month, he said well no one's bought them, so he put an offering on one of them.

He's still on stage. He said well no one bought them, so I've just had an offer secured on one of them. So it was quite funny.

Anyway, the point is this is a new strategy that Dan's implementing in his master the market genius, which he's going to share with you at the super event. It's 64 apartments. 3.75 million is the purchase price. He thinks he can spend £200,000 refurbing these and then have a GDV at the end of 6 million. So he's going to make 2 million on a deal which he's going to put no money down on. The way he's going to put no money down on is because he's got a bridging lender to give him 85% of the purchase price, which is 85 of 3.75. In order to get the 15%, he's borrowed it against this unencumbered property, which I have shown a lot of people. I think I showed it at the Blueprint. I remember when Dan bought this a few years back pre-COVID. He rents it out, service accommodation to a long-term lease.

He bought this for about 600. It's now worth 900. He's not got any debt on it, so he's able to give a first charge to a private individual who he works with.

He's paying 9% for that. So he's been able to raise the 15% of, say, 4 million. What's that?

60 grand-ish? Piece of cake. There you go.

There's the 60. That's the deposit. Bridging financing.

Plus the refurb, obviously. That's where he's got the money for this. But he's got to be in the deal for three months because it's a bridge.

It's a minimum three months. But then once he does the refurb, now he's got the increased GDV. It's just simple property dealing.

He's going to refinance out, and he's out, and all the money, and this investor will get paid back. They want three months or so, for 9%, which actually is a really good deal for Dan. I wouldn't do it for that.

So that's the deal. Now, Dan will talk more about that at the super event. So if you've got questions and things like that, he's going to share with you at the super event.

But that does sound like an exciting strategy. He's got me excited about it, and I don't really do property deals in the UK anymore. But he thinks this is the new thing to do.

So we've got that to look forward to. So where are you going to find your investors, ladies and gents? Where are we going to find our investors?

Where are we going to find our private investors? We've got the mic on this table. Does anyone want to hazard a guess as to where we're going?

No. Don't look at me. No, you're not going to find any private investors?

Where do you think you could find some private investors?

[Speaker 14] (1:14:42 - 1:14:42)

In the network.

[Adam Goff] (1:14:43 - 1:28:59)

We'll get the mic, please. Get the mic, James. It has to be on the mic, otherwise it doesn't count.

On the network. On the network or on the mic? In your network.

Yes, in your network. Where might you go? Where might you go to find investors?

Which networks? Debra, come on. You're a steal.

PIN. PIN? Yes, you might find them at PIN.

Where else? PE. Exactly, yeah.

I mean, there we go. There's some people in PE already that are ready to lend some money. Who here has got some money that they might lend or buy a deal for if they actually found a good deal?

There you go. There's over 10 people in them that would do it. There are people out there with money.

You just have to kind of get over your own inhibitions often to do it. The sweet spot, which I'm going to talk about later, is definitely the high net worth. I'm going to talk to you about the target market of private investor that you really want because it's fine raising 50s and 100s and stuff like that.

When you can get into the 100s and the millions, that's the person that you want. But you can't skip the gears. You're not just going to necessarily be able to raise a million pounds the first time you raise money.

It's very important to get in the habit of raising the 10s, 20s, 30s, 50s, paying them back, building a relationship because very quickly that can escalate. Let's talk about the open market. How are we doing for time?

We're good. The open market is the mass market. This is where most people go.

These are the rates that are printed in the newspapers. These are your typical high street banks that I said were dead. They're where your broker can access everybody.

This is traditional lending in its most vanilla form. You will have lots of options. If you find a good broker for you and they're not tied to a certain lender, which is very important, by the way, they have to be whole of market.

Very important because otherwise they're just trying to sell you their own products. Then you'll have a lot of options. They will go and they'll get the best deal for you.

They'll do the heavy lifting for you. Often they'll get their fee from the lender. You're not really paying for the broker, so why not?

The lenders are going to give the fees anyway. They can't give the fees to you because of the Financial Services Authority rules. Leverage the broker.

Have two or three brokers and go at it until you find one that you think you can trust. They will go to, obviously they'll go to banks for property, but they'll tend to go to financial institutions for business. If you want to get some money to grow the business or build some technology or invest in some machinery or a new shop or something like that, then there are going to be financial institutions specifically geared up for that that they'll probably end up using.

The one thing I'd say about this and I said it at the start is this is not cheap. This is not fast. It will be cheap, cheaper because this is like mass market, so the rates tend to be lower, but it ain't going to happen fast.

I think that's the biggest frustration for me when I was dealing with banks was it was slow, it was tiresome, it was like pulling teeth. This is why mortgages take so long because they just never fast, are they? It's just so painful, but they can be a cheaper rate.

These are the rates you're going to pay. These days, between five and six and a half for buy to let, traditional vanilla buy to let, from five to eight for HMOs, and then the commercial space is still incredibly risky. Who's in commercial here?

Who's in commercial? Yeah, Andrew and Steve are. Yeah, Rob.

Who did commercial stuff, Rob, now? What do you mean HMO commercial? Shops and Uppers, yeah.

Shops and Uppers, check you out. Good man. Yeah, the commercial space is still a bit challenging, and you are going to pay considerably more in the commercial space.

However, there's a lot of money to be made in commercial if you know what you're doing. Okay, let's talk about relationship lending because we've covered it a bit, but this is where I think we want to get to. This is where I think there's the sweet spot for everybody.

Now, of course we need banks, and of course we need things, and all the things I've just talked about really, but on Property to Entrepreneur we have this big thing about how we want our cake and eat it. Have I said that to you before? We think when you say it's all a game, for me, having your cake and eating it is when you win the game.

It's typical, isn't it? We all want our cake and eat it. Sometimes you can, and I think when you're working with a private investor at the right level, this is where you can make the rules, and so you can have your cake and eat it.

This is when you get the relationship lending. You're looking for a high net worth. We're not talking about someone with three single lets up in Leeds.

No disrespect, if you have three single lets in Leeds. We are talking about someone who is liquid to the tune of three plus million. Three, 10, 15, 25 million.

Someone who has got considerable net worth, probably because they've sold a business, they may have inherited it, they may have just been very studious, they may be out of the game, they may have just sold a big portfolio. This is the person that you want. You want someone with deep pockets who can lend you six figures on a phone call, and then escalate that up once they start doing business with you.

These people, they do exist. They will dip their toe in with you. They might dip their toe in with you for 100K or 200K or whatever, but easily you can scale that up because they need you as much as you need them.

Because if you are at that level and you are at the game, you are not going to go around knocking on doors, doing deals. You're not talking to agents. Frankly, you're past that.

You're looking for leverage. One of the forms of leverage is other people's time, and that happens to be your time. They're quite happy to leverage your knowledge and your time as long as what's in it is enough for them.

That is the really important thing to understand, is that the common thread between myself, Josh, Dan, Shiv, is we've developed, and many other people, is we've developed relationships with people that have this kind of liquidity, and then we've leveraged it to build our own portfolios and also make them a ton of money on the way, but that has been the underlying secret to our success. When you find these people, you need to be very clear on what your strategy is because high net worths might have a very different parameter and goals to you. Your goal might be cash flow.

You want to complete your financial fortunes as soon as possible, but they might want lumps of capital. Equally, you might want lumps of capital because you're thinking, I want to be in and out of this deal and I need to make 200 grand. That's my profit play, but they, because they've got 5 million in the bank, they're actually worried about cash flow.

They might want to hold the asset forever because they actually want their own financial fortress. That's quite a big distinction to make when you're obviously cutting the deal. The beauty of business and working with high net worths like this is you can cut the deal to make it a genuine win-win, and that's the skill of an entrepreneur, isn't it?

It's making it a win-win for both of you. Does it always work? No, but normally you can find that sweet spot.

Of course, the deal will normally determine what the outcome is. Obviously, if you're working with a specific type of investor, like my investor, I knew would only do first charge security. That was it.

I would only ever look for those deals, and they just wanted a fixed return over a certain amount of period. They weren't interested in profit share. They didn't want to come on my side of the table.

They just wanted to know, like Nina said, I'm going to get this much every month, and we're going to roll it up, and at the end it's going to be worth this. That's all they cared about. Adam, what you choose to do with that money, frankly, is your business.

Don't talk to us about it. We don't want to know. We just want to know that's what we want to get.

Equally, I know other investors who are like, they want to be in the business, and they want to take a share of the upside, and they want you to update them about how the deal's going and how under PD you're going to suddenly make multiple six figures, and you've got these different exits, and the exit is covered in a rental, but it's also covered by a sale, and they're quite happy to get involved with you, because they'll probably own the deal anyway because they're funding it, but they're quite happy to play the game and take a profit share. As I've said, really, the main thing here is to be creative. It's to understand what the investor wants, master the market enough to find the right deals, and then make the shoe fit.

Just make the shoe fit like go and find the deals for that investor, become knowledgeable in that space so that they've got the confidence you can do it, allow them to dip their toe in, and then do everything you can to build that trust, and then very quickly you could be scaling up to seven figure deals with these investors. Quicker than you think. You'd be surprised.

As I said, this is how I built my financial fortress. This really was the secret was to have that lender. Once I'd done that first half, of course, we all know the situation.

Once you've got an investor's money, you don't really want to give it back, do you? No? Who's been in that situation?

You're like, I could just hang on to this now. They don't want it back, right? The only reason they want it back is when they get scared it's going to get lost or something like that, or they might have, obviously, an emergency.

Generally, once I had that million pounds in my ecosystem, I made it my mission to never give it back until I was happy I'd got to where I wanted to get to. I shared with you the first house. This was the second house that I bought.

The first deal was very geared towards the investor. It was like they had guaranteed interest plus equity, plus profit share. I was like, right, second time around, I was like, no, no, no, this is not happening anymore.

I just want to borrow the money and I'm going to give you a fixed rate of return. It's going to be seven or seven and a half percent or whatever it was. They were happy to lend me that million pounds.

That million pounds actually got me into the house. It paid the stamp and it basically gave me all the money for the refund. Because I'd given them that 75 grand return in eight months, they actually lent me all the money.

They were like, yeah, we'll just reverse into this. They lent me way more than the purchase price. They were happy to do it because they had a lot of trust in me.

I borrowed all the money for that one. That was a slightly more, I would say, the deal was getting better for me because it was now fixed. I had it for two years so I had plenty of time and it was all good.

I got about 18 months down the line. I was like, oh, I just can't give them this. I need to find another deal.

Then I bought the next house. Again, these are all in Clapham. This one got even better because I said, actually guys, I don't want to take all the money on day one.

I'm just going to draw it down. Is that okay? I'll draw the first amount and then there'll be another draw down.

I actually saved 25 grand just doing the tranches thing. I got slightly more sophisticated and I was able to roll up the interest on both these deals so I didn't have the stress of paying the cash flow because on the first deal I was happy to pay the cash flow. In fact, I think on this deal I did the cash flow but on this one I really nailed it.

I was like, I'm going to roll up the interest and I'm going to draw it down as I need it. They were like, yeah, that's absolutely fine. That's cool.

It saved me a lot of money and a lot of stress. That was it. It was just like gradually we became more familiar with each other.

Actually, when I did pay them back they said to me, look, we're ready to do another deal now. At that point, COVID was kicking off and I was like, guys, I'm out now. I've actually done it so I wish you the best of luck.

That's the story and Josh, Dan, Shiv and I have all got similar stories. Something else that I think is really important to think about when you're raising money from high net worths or from people is don't overlook the Rebuilding Society product around people lending you their ISA. Because, you know, Rebuilding Society, no, it's not Barclays and no, they're not perfect but this peer-to-peer lending, if they've got ISAs, they can lend them to you through this platform.

The platform will charge about I think 8% to 10% but all of the return that you give them is tax-free. Now, to a high net worth individual, that is gold. In this environment of tax, you know, if I've got 100K invested in a tracker fund or gold, it's like, yeah, it's there and it's growing and it might be doing whatever it's doing but if I can say to you, I can give you a grand, two grand, three grand on your hundred grand every month and you can draw it tax-free out of the ISA, that's very real to them.

All of a sudden, they've now got a grand, two grand, three grand, five grand a month tax-free they can spend. They can spend. All right?

So I really would encourage everyone again to study this product and keep it up your sleeve as one of those things, you know, when you have the coffee or you talk to the investor, it's like, well, have you got any ISAs? Because ISAs are very liquid. They can sell them very quickly.

So they might go, well, I haven't got any money. How much, if you don't mind me asking, do you have any ISAs? Do your family, you know, has your wife or your husband got an ISA?

Have you put ISAs in your kids? Well, you could lend me that through this platform and actually all the gains are going to be tax-free because it's an ISA. And I do think there's a lot of legacies.

Has anyone looked at this? Has anyone taken my advice? No.

Yes? Mike? Well done, Kate.

[Speaker 6] (1:28:59 - 1:29:01)

I've got a director's loan ISA with them.

[Adam Goff] (1:29:01 - 1:29:04)

Well done. Oh, you did it before they changed it. Well done.

[Speaker 6] (1:29:04 - 1:29:04)

Yeah.

[Adam Goff] (1:29:05 - 1:39:47)

Good. So have I. Turns out, though, you can all cry me, you can play a little violin for me later on this one.

When you go offshore, you lose your ISA benefits. Mate. Literally, mate.

I didn't sleep for like 20 minutes because of that. No, it was like that, like my, my, my, yeah, one of my huge wins was I had, you know, probably 350 grams of the rice rice rice rice rice rice rice rice rice rice rice rice rice rice rice rice rice rice rice rating up, heating grants, local council offering, you know, development grants, empty home grants. I know it sounds a bit flippant, but your job is to Google it and become an expert.

Ask ChatGPT about grants in your area. There are grants out there, especially if you get into the commercial and things like that, there's grants out there for you to use. But they don't advertise them very well, but it's up to you to find them.

Same in business. There are grants out there, there are schemes you can be part of. There's always initiatives.

I've talked to you about start-up loans, like, especially if you're doing R&D with tech or anything, but there are so many grants out there, especially if you're in that start-up phase, where, you know, that five grand, that ten grand means a lot. Don't overlook it. There is literally money there on the table for you.

I'll talk about SEIS or EIS in a minute. This is a fantastic tax wrapper that if you're an investor or you're looking to raise money, you need to be using. So the SEIS and EIS wrapper is really important.

And if you want to turbocharge funding, I would suggest that you, if you're trying to raise money for your business, but it's not for property, then what you want to do is you want to use the SEIS scheme, which I'll talk about in a sec, and crowdfunding, so you put it on a crowdfunding platform, and this is what Guillaume did, he's obviously raised the money that he's raised, because that really turbocharges it.

And of course, for government stuff, and certainly for equity, the rate is zero. It could be as low as zero, obviously start-up loans aren't zero, but there's money on the table, there always is money on the table, but people leave it and they don't look for it, and they let someone else get the grant, because they couldn't be bothered to look. Okay, has everyone written those down?

I'll talk about SEIS. Good. So property filter, Guillaume started property filter while he's on Property Entrepreneur, quit his job, started property filter about 18 months later, it's now worth, I think the last valuation was about 2.7 million. Who here uses property filter just out of interest? Excellent. Good.

Guillaume used SEIS, which is the SEED Enterprise Investment Scheme, and when you're a start-up business under seven years old, you can qualify as an SEIS business if you're not in buying properties, basically, or doing certain activities, and investors can invest in your business using the SEIS wrapper, and do you remember on the blueprint, three-day blueprint, I shared that video with you, does everyone remember that video?

You can invest in businesses like this, and the day you invest, the government will pay you 50% back in tax credits, so if you're a high net worth investor, you will have paid tax, and the moment you do the investment, within weeks, you get half back in cash in your bank account. I know because I've done it. It's absolutely crazy.

It's absolutely mental, which means straightaway you're in the deal for half the money, and then if the business goes under, you can write off basically all of it, it's about 85%. If the business does well, you don't pay any capital gain tax on the upside. So if you're an investor, it's a fantastic way to invest, but if you're looking for investment, a bit like the Rebuilding Society ISA wrapper, this makes investing in your business a no-brainer.

And, of course, you can invest in a business, maybe, especially if you know the person, and then potentially in a business that does qualify, and then there's nothing wrong with that business potentially making a loan to another company, is there? Maybe. I don't know.

You could also guarantee and this is the example I talked on the blueprint, you could also guarantee somebody a fixed rate, a fixed return, because you could borrow the money, you could borrow, say, 100 grand for your business, and in three years' time, you could basically buy it, you could sell shares in your business for 100 grand, and then straightaway they're going to get their 50 grand back, and then in three years, you could say, well, actually, I'll buy back the shares off you in three years, and they're going to get some of the benefits already, they've had half the risk, and you could almost walk away. So there's a game to be played with SEIS.

Don't overlook it. It seriously can change the game, and it can make you a lot of money. If you're an investor, this is ScoreApp, which Dan invested in back in 2020, he was in the second round of investments.

This thing, I mean, we all know Daniel Priestley, he's stood on our stage many times. He reckons this is going to sell for about 50 million, which means Dan will make eight times on his investment, tax-free. It's pretty good, isn't it?

The platform you, one of the platforms you want to look at is something called Seeders. If you are going to raise money for your business, I would recommend you use a platform like Seeders, and you let them do the heavy lifting for you, okay? So a bit like the charity donation pages, you go on there, they'll help you, they'll do all the legals for your investors, they'll help you get investors, you'll have to bring some investors to the table, but they will basically manage the whole process for you.

Yes, they'll charge you a fee, but if you do want to select equity in your business, I would recommend going through a crowdfunding platform, paying the fee, it's much more professional, you can bring some investors to the table, they might help you find some investors in the crowd, and then you've raised your money to launch a new product or service. So write that down, Seeders. Bless you.

Okay, we'll do some top tips, and then we're going to get Rachel up and go for some lunch. So top tip number one is always negotiate the decimals. If you've been lent money, if you've borrowed money from someone, you will realise very quickly that it's the lender that makes most of the money on most of the deals.

Do we agree? The lender makes all the bloody money, it's so annoying, alright? So negotiate, don't go up in whole percentages, like negotiate the decimal places, because every decimal counts, because you're going to be left with a lot less than them most of the time.

So don't go up in whole numbers, basically, like screw them for every penny. Genuinely, it's fine to be leveraged, and obviously we've all got to get going, but don't get too swept up in the interest only and ignore repayment products. I think you need a balance.

If you're doing everything on interest only and everything is 85%, you're cruising for a bruising. It is sometimes good to put a property or two on repayment, balance up the portfolio. You want to get to a 50% gearing, really, ultimately, to be really comfortable.

It depends on the market and where you're at, and obviously this is later in the journey, but just be careful about ignoring repayment mortgages, because it does come to bite you later. Generally, I don't do JVs anymore, but I don't think that JVs on cash flow deals are particularly fruitful. You might make a thousand pounds on HMO, but by the time you've had the costs and you start splitting a thousand pounds between two of you, it isn't that meaty.

I think you're better off borrowing money on a fixed return and you take the upside, or it's a profit play and you sell the deal and then you split the difference at the end. I think they work better for JVs. It's either debt as a loan or you're in it with me in the equity and we're going to split it at the end.

I think that works better. Splitting 500 quid on HMO just becomes, I just don't think there's enough money in it. I've made this point already, but don't just take the headline rate when you're looking at lending, specifically from crowdfunding and things like that.

Factor in the fees. There are calculators out there that you can add the fees in. It will give you a real interest rate.

Remember what I said about commercial lending is a shark's tank. They don't have to educate you about fees. They don't have to tell you about it, and it can cause a big problem.

Lastly, just be really creative. Don't skip the gears, as in you need to start small and get bigger normally, but just be super creative. I've already made this point a number of times.

Your job is to get the deal done and it's the entrepreneur's job to think outside the box. You need to be creative, make it a win-win and you'll get deals done. As I said at the start, I'm going to finish with this one as well, is learn to master the market, learn to master your space, and then find the deal.

The right deal will find the right funding. Someone will jump at the opportunity because of what you know and the angle that you've got. That will find funding.

If you're struggling to find funding, probably because the deal isn't juicy enough, go back, master the market, find the deal, and then the funding often is much, much easier. Time for a couple of quick questions and then we're going to get Rachel up on stage. Yes, Nina.

[Speaker 4] (1:39:48 - 1:40:17)

It's not a question, but I didn't know if this would be useful to the room because people said they needed money. I'm not giving it, by the way, caveat. On the relationship one, there's now a way on a search function on Companies House to search for high net value worth people and you can just download that as a list into Excel, just saying.

Then also people who are looking at either mostly equity or high value deals are like family trusts, family offices on LinkedIn, and they're easily approached direct, if that's useful.

[Adam Goff] (1:40:18 - 1:40:28)

Thanks, Nina. Some top tips. Thank you very much.

Any other questions on today's session? Yes. Danielle, behind you, please.

Ladies loving the participation.

[Speaker 11] (1:40:30 - 1:40:54)

Sorry, it's following on a little bit from that, actually. Networking with high net worth individuals. It's not in my life.

It's outside of any of my hobbies, where I live and the environment I'm in. I'm not networking in these places. Where can I go?

[Adam Goff] (1:40:54 - 1:41:40)

Yes, cool. First of all, something I'll tell you is a little secret is high net worths don't do networking. There is no networking for high net worths.

The way that we found our investors has been through our businesses. When you work with someone for a period of time, you develop trust. There's nothing like, the proof's in the pudding.

Typically, there'll be clients that we've then converted into investors. You'd be surprised, like friends and family, you'd be surprised, like in your network, there'll be people that have money almost guaranteed. Do you think that might be true?

[Speaker 11] (1:41:42 - 1:41:44)

I'm sure it is, but it's a long time coming.

[Adam Goff] (1:41:45 - 1:42:21)

Yes, it might be. The sooner you start investing and building the relationships, there'll be people who will trust you enough to lend you the money. You have to demonstrate you know what you're doing.

You have to talk to people. You have to show them what you're doing without it being direct. You have to just say, this is what I'm doing.

I'm just going to show you. By the way, it's the question, do you know anyone that might be interested? It's never, can you lend me the money?

It's always, would you know anyone who could lend me the £100,000 for this refurb? It's that kind of thing. Nina, thanks.

We've got to keep moving on. Rob?

[Speaker 8] (1:42:22 - 1:43:00)

I was just going to say on the back of that, we normally do it through business and relationships, but I know actually a handful of people who have had a lot of success being in members clubs or lifestyle clubs with very high monthly rates, because by definition, if you can afford to be in that club or that golf club or gym or whatever, sitting in a sauna or somewhere, I know quite a few people who have had really good relationships through that, just because they're not going to networking events, because if you put your hand up and say I'm worth £20 million, they're just going to get swamped. They're just chatting somewhere in a sauna and it goes from there, obviously.

[Adam Goff] (1:43:00 - 1:43:00)

Yeah.

[Speaker 8] (1:43:00 - 1:43:01)

For the right reasons.

[Adam Goff] (1:43:01 - 1:43:23)

I mean, exactly. I mean, like I know a guy in London who joined a short tennis club in Barron's Court, which is like ridiculously posh, and he raised tens of millions. So it depends how you want to be about it, you know?

It depends how definite you want to be about it. Did you have something to add, Craig? Yeah, I was just going to add on.

We'll get a quick mic, please. Sorry, could you chuck it to Craig? Craig Alicious.

[Speaker 7] (1:43:26 - 1:43:37)

Hi. Just to add on to that, I would recommend Third Space in Moorgate, or the NED as well. I know some people who have built some fantastic property business.

[Adam Goff] (1:43:38 - 1:43:38)

Yeah, I just didn't know if it was seasonal.

[Speaker 7] (1:43:38 - 1:43:40)

I did have a quickfire question.

[Adam Goff] (1:43:41 - 1:43:41)

Yeah, yes, you may.

[Speaker 7] (1:43:41 - 1:43:48)

So can you recommend an agent who would be able to put forward the crowdfunding I know you mentioned?

[Adam Goff] (1:43:50 - 1:43:53)

I had a broker, but I don't know if I would recommend them.

[Speaker 7] (1:43:54 - 1:43:54)

Okay.

[Adam Goff] (1:43:54 - 1:43:55)

To be honest.

[Speaker 7] (1:43:55 - 1:43:55)

Yes.

[Adam Goff] (1:43:55 - 1:44:01)

But yes, I could. No, no, if you send me a Facebook message, I'll be able to send it to you. So do that.

[Speaker 7] (1:44:01 - 1:44:09)

Can EIS be used any way if a company is older than seven years? EIS, I think you can do that. Sorry, EIS.

[Adam Goff] (1:44:10 - 1:44:13)

I think EIS is over seven years, yes. Okay.

[Speaker 7] (1:44:14 - 1:44:31)

And something else, just to elaborate on your bridge to term, what benefit I found from that is that actually you get a lending valuation up front. So when they do your bridge, they also do the term. So you know where you stand.

[Adam Goff] (1:44:31 - 1:44:35)

Yeah, did I not say that? Sorry. So the guarantee of the exit is the beauty, isn't it?

[Speaker 7] (1:44:35 - 1:44:35)

Yeah.

[Adam Goff] (1:44:35 - 1:44:46)

It's like it's done for you. It's amazing, right? Yeah.

Thanks, Craig. Oh, one more question. Okay, cool.

Just... Sorry, I've overrun and I'm in trouble. It is on, Cathy, unfortunately.

Do not swear.

[Speaker 6] (1:44:47 - 1:45:44)

Best behaviour. This is to Danielle's point. One of my investors who became a business partner was High Net Worth, and he came to me through LinkedIn.

So I changed my profile to our JB partner on there. And I had this phone call and email from this random, and I did a bit of Googling. And he was a superb investor and business partner, and we had a great relationship, but he literally came out of nowhere.

And then one really quick one. Pre-budget, last October, there was a large take of tax-free lump sums from pensions for people who were anxious about what was going to happen to their pensions. So potential people to look at could be around pensionable age who could be sitting on significant sums of money and looking for homes and alternative investments without cash.

[Adam Goff] (1:45:44 - 1:46:38)

Yeah. Yeah, talk to Catherine. I think you live in the country, don't you?

And you might feel a little bit isolated, but you'd be surprised if there's money around. You're actually in a pretty good spot. And especially when people get sort of above 40 and stuff like that, they do have cash.

People have cash and they don't know where to go. So try not to see it as a negative. Try and see it as a positive.

It's kind of a lot. I think having worked with a couple of ladies in my mastermind, who Cath knows, in a way it's a lot easier, I think, to raise money when you're a female who's... If you're a 25-year-old, young-blooded male, it's quite hard because no one really trusts you.

Once you've got a little bit of age and you're not given that sort of macho energy, it can be quite easy to raise money because there's a lot of trust. So yeah, I'd say don't see it as a negative. See it as a positive.

You might surprise yourself. Ladies and gents, let's give Rach Davies a massive round of applause, please.

[Rachel Davies] (1:46:41 - 1:50:32)

Was that a good session? Enjoy it? Loads of you writing furious notes.

That's excellent. And this is the whole thing, isn't it? Master the art of using other people's money.

And there's lots of opportunity out there, isn't there? Lots to capitalise on if this is a place that you're at right now and this is what you want to do. And just on that, cashflow is the lifeblood of your business, isn't it?

Michael said to me that one of the things that fundraising was great for is refurbs on HMOs. He's in the HMO core living space and that's what he would use it for. So it is really about forward funding your cashflow and then once you're making a profit, it's about paying down the debt after that.

And I wanted to finish on some top tips, just to echo everything that Adam's talked about there. I asked Susie Carter, she's a very experienced commercial property expert and she's been raising finance for a long, long time and she gave me five top tips to find the perfect investor. These are the things that you need to do.

So the first one is build relationships before you start. And this is part of the homework actually. So you need to be thinking about when you want to start making yourself look investable, when do you want to start doing things on social media or reaching out to people that you know.

Start doing that first, the networking, the social media groups, getting yourself out there. So that's the first thing. The second is come to the table with a plan.

So make sure you're very clear on your finance strategy. What the terms are, the percentage returns, is it long or short term finance? And Adam just talked about that.

So come to the table with a plan. The third is look for the right person. So this needs to be a win-win for you and a win-win for them.

Really important. Some investors like to be silent, some like to be very much involved. So it depends what you're looking for as well.

So think of that. And then the fourth one is find someone with the right values. And I think this is particularly important if you do get into joint venture partnerships.

Me and Paul went into a joint venture in 2008 and within four years we bought 25 houses in Nottingham and we didn't have any experience at the time and he helped us fast track and that was great. But he wasn't aligned with our values and we parted ways later on down the line because he just had a different attitude about how to treat tenants to what we did. So just be very careful about making sure you've got the right value.

So it's taking the time to get to know someone. You're not going to know that overnight. And then finally, make sure you've got the right paperwork.

It really is important. Do plan for the worst case scenario. It's so important.

Make sure you're compliant. Yeah, this was high level today. We didn't talk about compliance and the right paperwork, but you know, coming from the steel in me, you've got to make sure that's on point.

So do your research. Ask the community. Get help.

There's loads of people in this community right now that are doing this all of the time already and they're very experienced. So don't be shy. If you're not sure, ask all the questions.

So the homework for that section is all part of the business plan. Confirm your capital requirements for the next 12 to 18 months. Do you need to raise funds?

Review the different options and decide how you're going to do it and then diarise when to start taking action. You know what Susie said. She said, you know, start doing this before you need it.

So when are you going to be doing this and when do you need to start and which brokers and relationships do you need to start building? So that's the homework for fundraising. It's now time almost to get to private dining.

So for those of you who have been invited to private dining, remember we do this at random every month, you will have been sent a WhatsApp message to tell you that you're doing it. And the question on the table for me, Josh and Adam, we're going to be discussing your winter wins and winter struggles. Okay.

So please get your phones out and check whether you've been invited. Get yourselves around the block. If you can do a walk, do a walk and maybe check in with your new buddy, get the phone numbers, make sure you're connecting with your buddy.

It's now time for a break. So should we have a really nice lunch? Let's finish that amazing session on a big round of applause.

We'll be back by 2.30. Yeah. 2.30 is the time to come back for it. Off you go.