**PEP 52 Edited\_Transcription**

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

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

We hope you enjoy.

[Mark Barrett] (0:30 - 3:06)

Well, good morning. Welcome to the first property entrepreneur deals, deals, deals podcast with me, your host Mark Barrett, and I'm really excited to be hosting this event. Anybody that knows me will know that I love property and I love doing deals.

So this is a dream ticket for me. I'm really excited about it and look forward to presenting a different guest on the first of each month. We'll be going live and what we're going to be looking at is behind the scenes access to some of the most creative award winning and lucrative property deals in the UK.

So each month we are having different guests. I want to be covering different levels of the wealth pyramid, looking at cashflow, assets, sorry, cashflow, profits, and asset deals. So we'll be getting a personal insight into the guests, where they live, where they operate, and then it's a conversation piece.

So we'll be looking at the strategies, how they source properties, how they stack the deals, how they structure the deals, and most importantly, how they execute them, including some of the biggest challenges that they've faced and how they overcome them. And then lastly, and most importantly, how they exited the deals. And then last, we're going to finish with top three tips for everybody to help them with property investing.

So I had to obviously have the first guest and it was a no brainer for me to invite my good friend, Mr. Daniel Hill. So Dan, I have known since I went along to Nottingham onto a systems training days, six to seven years ago. And I was very fortunate then in 2016 to join the Property Entrepreneur Board.

And I've been on the board just over five years. And it's been great for me to see the inside track into Dan, starting out from investing into HMOs, property builder service for HMOs, and then going into doing bigger, more lucrative, crazy deals on like office conversions and bigger things like that. So I'm really excited to welcome our first guest, Mr. Daniel Hill. Hey, Dan, how are we doing?

[Daniel Hill] (3:06 - 3:08)

How are you Mark? Good?

[Mark Barrett] (3:09 - 3:29)

Yeah, yeah. So yeah, really excited to go through this with you, to go in through just a bit about yourself. Obviously, you are very well known, but some people might be listening who have never come across you as yet.

So I want to go a bit about yourself. So can we start that off then, Dan?

[Daniel Hill] (3:30 - 5:14)

Yeah, absolutely. So been in business forever, as young as I could walk or talk. Moved into property in 2011.

Started off with HMOs, so small, four beds, five, six, 10, 20 beds, up to a couple of hundred rooms, support those people. So we've got a company called PPM Portfolio Builder. We've done over 100 deals now, and we source cashflow portfolios for high net worth individuals.

I then got my own portfolio to about 200 units, built a letting agency to manage my portfolio, and then scaled that nationwide. We started Multi-K. We scaled that up to head a head office in Nottingham, an office in the UK, and managed HMO properties for the landlords and investors.

We exited that business this year, so actually did a roll up on that and then sold that company. And about five years ago, I started doing developments. My primary property strategy now is development, so commercial, industrial, large, residential into mainly blocks of apartments.

And we also have a number of other companies, got a maintenance company, we've got a marketing company, we've got a business training program, so a property entrepreneur, where you and I have obviously, we met and worked for the last four years. And mainly based in Nottingham, I was based there up until about two years ago, then went and lived on Narrowboat, now live in Sheffield, and I still do most of my investing now in- Okay, good.

[Mark Barrett] (5:14 - 5:20)

We're getting a bit of a delay on the feed. I don't know if we can do them.

[Daniel Hill] (5:20 - 5:24)

Just, let me just change my net connection. You carry on.

[Mark Barrett] (5:24 - 5:53)

Yeah, yeah. Okay, great. So we mentioned about the wealth pyramid.

So I think some of the deals that you've done, obviously, you started off with the cash flow with the HMOs, then as you developed that, you've then gone into cash flow, sorry, into profit plays, and you've been doing some larger deals in that as well as building up the assets. So what kind of deal would you like to go through with us today?

[Daniel Hill] (5:54 - 6:21)

Yeah, so same as we recommend for everyone, I started off with cash flow with HMOs, then started making profit, doing flips and deal packaging, and then moved into the asset side of things, and assets are boring assets, long-term hold, low risk, low return. And the deal I will take, so what we do mainly that now, mainly office blocks, mainly office blocks into blocks of apartments, I'm going to take you through one of those today.

[Mark Barrett] (6:21 - 6:27)

Okay, fantastic. Fantastic. And that's for yourself, but you also still do portfolio builder on some of the larger deals you now?

[Daniel Hill] (6:28 - 6:43)

Yes, we tend not to do HMOs as much anymore, just purely because we can either do 30 HMOs a year or three big developments, we'd rather do three developments than HMOs, but yeah, we still do that for, we do it for other clients as well as myself.

[Mark Barrett] (6:43 - 6:53)

Okay. And before we start, just tell me again, your wealth dynamics profile, because I think that could impact as to how people do deals and things like that, so I was interested.

[Daniel Hill] (6:54 - 7:13)

Yeah. So GeniusU profile, I'm a dynamo, so intuitive, head in the clouds, optimistic, the world's a great place. And then as far as wealth dynamics goes, I'm a creative mechanic, so I'm creative and intuitive and can come up with stuff, but I'm a mechanic, so I can actually, I've got a reasonable track record of executing as well.

[Mark Barrett] (7:14 - 7:18)

Yeah, yeah. It's quite fortunate in putting together the blueprint that we all follow now.

[Daniel Hill] (7:19 - 7:24)

Yeah, it's literally textbook, it's taking something and then systemizing it really.

[Mark Barrett] (7:24 - 7:33)

Yeah, yeah. Okay. So we know what you're kind of like covering as far as a strategy, what your focus is now, so tell us, so what deal is it that you want to cover?

[Daniel Hill] (7:34 - 7:45)

So I thought what I'd do is I'll take you through the most recent one that we've done. So this is one we've literally just finished, done, refinanced, let out, so we'll take you through that because it's most recent and it's a great deal.

[Mark Barrett] (7:45 - 7:46)

Yeah, yeah.

[Daniel Hill] (7:46 - 7:48)

So it's Wycliffe Mill Business Center, this one.

[Mark Barrett] (7:49 - 7:54)

Yeah, yeah. Perfect. So just going back to that then, how did you actually source it?

[Daniel Hill] (7:54 - 8:24)

So I'm like one of the laziest, everyone always says, how do you source deals? You know, you must be giving agents brown envelopes or whatever. Literally I am like the laziest sourcer out there.

Normally I'll find deals on a Sunday afternoon, sitting on the sofa, scrolling through Rightmove, literally that simple. And this is exactly the same as that. That's how I found this one, Sunday afternoon, scrolling through Rightmove, looked under the commercial section and saw a business center for sale.

[Mark Barrett] (8:25 - 8:27)

Are you still looking at the Nottingham area?

[Daniel Hill] (8:28 - 8:39)

Yeah, so Nottingham, Nottinghamshire, Derby, Derbyshire, anywhere. Most of our team, our head office is based in Nottingham, so anywhere the team can reasonably commute to within say half an hour.

[Mark Barrett] (8:39 - 8:42)

So what was the actual advert then? What was it showing?

[Daniel Hill] (8:43 - 10:06)

So it was listed as a seven and a half thousand square foot operating business center. So it was valued based on the return from the current rent role. The current rent role wasn't, I mean, it wasn't, the rents were probably quite low and the occupancy wasn't fantastic.

So commercial valuation based on that wasn't that strong. And I looked at it and thought, it's seven and a half thousand square foot. I know where it is in Nottingham, it's in a B grade area.

That's what we invest in. So not A grade, not C grade, we invest in like B grade areas. And it was listed, it was guided, so it was auctioned.

So the guide price is always, you know, a little bit sexy to get everyone excited. And it was guided at two hundred and fifty five thousand for seven and a half thousand square foot. And I just thought, it's just absolutely bonkers.

We'll normally pay up to ninety pound a square foot for B grade commercial, B grade area commercial stuff. We normally pay up to ninety pound a square foot. And that works out about thirty two, thirty four pound a square foot.

And I just thought that's absolutely bonkers. We need to, whatever we need to do, we need to buy it. And I sent it to Jen and just said, look, this is potentially the next banger, like banger as in like amazing site.

This could be the next banger, sent her it and just said, look, you know, it's listed it to guided it too far to 50. We can afford to pay up to X, which was significantly higher.

[Mark Barrett] (10:07 - 10:12)

I mean, that's probably like a third of like bricks and mortar then, isn't it?

[Daniel Hill] (10:12 - 10:41)

Well, the rebuild on, in fact, obviously, a rebuild was as commercial. I remember when we insured it, obviously, rebuilds are always often higher than what you buy it for because you've got to knock it down as well. But it's I mean, it's significant.

We've bought a few dollars, but we bought them at like two hundred and fifty grand. And the rebuild on them is something like a million pounds. You just think it's crazy if you can buy one of our mantras that you'll be familiar with is if you can buy it cheaper than you can build it as a long term investment in the main, that's got to be a pretty, pretty good place to be.

[Mark Barrett] (10:41 - 10:42)

Yeah. Yeah.

[Daniel Hill] (10:42 - 10:46)

So, yeah, send it to Jen said, like, do you like work your magic and see if you can secure it.

[Mark Barrett] (10:47 - 11:11)

So, you know, you're met your metrics now because you've been doing these deals. So, you know, yeah, that's a deal. So as a kind of like ballpark, people that is kind of like maybe looking to enter into this space, what kind of like thing?

So you're looking at what would you like to pay per year? So you work out kind of like the size of it. You take off your communal areas, which what do you allow for that?

[Daniel Hill] (11:11 - 11:45)

About 50. Again, a lot of the. I'll normally do as little work as I can to get the deal into the offering stage.

And then as we get into negotiations, really start to drill down. But I won't do all the granular detail to secure it because the market is so hot. Yeah, for real deals, you've got to be pretty, pretty fast paced with it.

So I'll normally work on price per square foot. I'll look at how much is it price per square foot to buy? How many units can we get in there?

And I'll normally take about 15 percent off. So seven and a half thousand square foot times 85 percent.

[Mark Barrett] (11:45 - 11:45)

Yeah.

[Daniel Hill] (11:45 - 11:48)

And then divide it by an average unit size.

[Mark Barrett] (11:49 - 12:13)

Yeah. And that obviously the minimum space standards now apply to all deals. So we're now at 37 square meters.

So you just look at how many of those you get in. And then that's kind of you then work out that. And what would you say the refurb costs that you tend to allow?

Obviously, prices have gone crazy at the moment for refurb, but what do you tend to put in for those?

[Daniel Hill] (12:14 - 12:48)

So it depends on the site. If it's a really straightforward sort of repair and replace. So, you know, construction sound, there's no demo.

We'll normally work on a rough. I'll normally work on a rough figure of either price per unit, depending what size units they are, of maybe twenty five thousand pounds for like a 30 square meter apartment or per square foot, and depending what the site is, anywhere from, say, 70 to 100 pound a square foot. Our average construction cost is about 75 pound a square foot.

[Mark Barrett] (12:48 - 13:07)

OK. Yeah. Yeah, that's good.

So you find the banger online on a Sunday. The deal works. How did you then look to?

So you start your numbers kind of like a lot of it is in your head now because you've done so many of these deals. Deal works. How did you then secure that deal?

[Daniel Hill] (13:08 - 13:42)

So I said to Jen, this is the figure we can go up to and do what you got to do to get it gone. Portfolio builder management. Yeah.

So Jen's the head of the PPM Portfolio Builder. Yeah. He delivers sites for our clients and also heads up and runs all of my development.

And basically, yeah, basically said this is about this is what you can go up to do what you got to do. He said, well, they want this guy did it to 50 and see if you can get it before it goes in the room. So if it goes to auction, obviously it'd be anything nine times out of ten.

It'll go crazy.

[Mark Barrett] (13:43 - 13:43)

Yeah.

[Daniel Hill] (13:43 - 14:29)

Just secure it wherever you can. And she came back and said they won't take 250, but they'll take 255 if you can get there and exchange and pay for it before lunch. Wow.

And I was like, sounds just like she's like, well, we haven't got time to do a survey. You know, it's we haven't got time to do a survey. We're buying it pretty much blind.

We've not seen many of the legals and stuff. So I literally walked up there. I hadn't even seen it.

It was about five, 10 minutes, 10 minute walk from our office. So I literally just I said, I'll come to the office. I went to the office, walked up there, just walk around the building, make sure it wasn't falling down.

And I thought for 255 grand, there can be a lot wrong with that and still not lose money. So literally Jen picked me up, went down the auction house, took my debit card with us and literally just bought it there and then.

[Mark Barrett] (14:30 - 14:53)

Wow. That's pretty decisive. Yeah.

Fantastic. So you've then you've then got this building then. So you've gone through sourcing it.

You kind of like stack the numbers. How do you then structure that? So for people looking to do these kind of deals, do you set up individual SPV for each one and how do you then do you fund it?

[Daniel Hill] (14:54 - 16:03)

So we have the group structure that I use. I have a holding company at the top. So a number of holding companies which own the SPVs below.

And then depending on either an asset one which had HMOs and things like that. And I have a holding company which has my developments below it. And I have an investment company which has my my single let's and my sort of shares and investments and stocks and things like that.

So for the developments, we'll open an SPV. So a special purchase vehicle. Wycliffe Mill was bought in Wycliffe Mill Business Center Limited.

But I started that that's owned by my holding company. And my holding company is then owned by by me and bought it cash. So bought the site cash, went and got full planning.

And then planning tech. Once we had all we have, are you? Well, I used PD.

So you just permit development to go from B1 to C3 that took because it was tenanted with tenants. That was actually one of the longer things we didn't. I don't know why we didn't hugely rush it.

I think the process is what is it, 40 days for permit development? It's less than that. Significantly less than planning.

[Mark Barrett] (16:03 - 16:15)

Yeah, it's 56 days, eight weeks. But the good thing is that you pretty much get it banged on the day as opposed to kind of like normal planning would say extend, extend, extend. That's a good thing, isn't it?

[Daniel Hill] (16:16 - 16:39)

Yeah, because by default, legally, if they don't respond. Yeah, you're just allowed to crack on like a prior notice sort of thing. So.

So, yeah, that works well. And you've got full planning, got planning for 20 apartments and started the build about a year ago and finished it about three months ago to finish it about two months ago.

[Mark Barrett] (16:39 - 16:49)

So how did you fund that? And then obviously you're saying you bought cash. A lot of people won't be in that situation if you were starting out again.

How would you fund that?

[Daniel Hill] (16:51 - 18:17)

I've always used cash. So you don't necessarily when I when I started investing in property, I remember saying to my mentor, so I did my property training with Simon Zucci, who's now one of our business partners. And he in the first month of my program with them, I said, I'm going to sell my company and go crazy with this property stuff.

And he said, you don't need to sell your company. You don't even need to use your own money. You can use other people's.

And ever since then, I've just used other people's cash. Obviously, now I use my own cash as well. But at the beginning, I had all my cash tied up in another business.

So using other people's cash is good as long as you know what you're doing and you know how to do the deals and approach with caution. But other finance strategies, I'm not a big fan of bridging finance. I don't I don't like I've never used bridging.

I don't like it. I think it's I mean, it's there's always obviously there's a time and place for everything. I just personally don't like the I don't like working with banks as much as possible, like especially not aggressive lending like like bridging.

So I work with private investors. But you could use a you could use a development finance product. You could use a commercial finance product.

A good broker would show you the way around the market. And I would recommend using a joint venture partner or a joint venture partner or a an investor.

[Mark Barrett] (18:18 - 18:26)

OK, yeah, that's good. So then on the build, what was the biggest challenges as far as as far as that?

[Daniel Hill] (18:27 - 18:28)

With the finance.

[Mark Barrett] (18:28 - 18:34)

So the bill or just the actual execution of the deal. What would you say were the biggest challenges?

[Daniel Hill] (18:35 - 19:50)

Coronavirus was a bit of a howler. Imagine closing site, reopening site. Men into the cellar like just.

Yeah, I mean, we just got it done. Our main contract is fantastic. Our team are amazing.

And we just had a we have an amazing team. And they pulled it off. And biggest challenges, probably completion date.

So we had we had a realistic completion date. We'd set the completion date at like really aggressive at six, six months, I think, or eight months. And in the normal market, that would have been hard with coronavirus.

That was just impossible. So everything got delayed probably like three months in the end. I mean, our development finance was with crowd property who I'd highly, highly recommend, not the cheapest, definitely the easiest to work with.

They gave us an 18 month loan. We were out of it and paid back in like 13 months, I think. But the lease died later.

So we lost a bit of money on that. Yeah, construction costs run over a little bit. Excuse that.

And so that was yeah, they were the they were the main challenges we had. Apart from that, it was it was all OK.

[Mark Barrett] (19:51 - 20:03)

Yeah, yeah. OK, good. So you bought it cash.

You got the planning. You used crowd property, you say you used. Is it 65% GDP that they will lend up to?

[Daniel Hill] (20:05 - 20:17)

Excuse the two, two crazy sausage dogs in the background. Someone's literally just not done at all. Yeah, use crowd property.

And I think it was because it was like pandemic time. It was like they were a bit more cautious.

[Mark Barrett] (20:17 - 20:19)

I think they went down. I think they went down to 60%, didn't they?

[Daniel Hill] (20:20 - 21:14)

That's right. Yeah. Well, that was probably a challenge, actually.

They went down to 60%. That was one challenge. They went, they only offered 60% of the GDP.

And I thought the site would be worth about 1.6, 1.7 million. And they, the RICs value are valued at 1.1. So I only got 60% of 1.1. Right. If I'd have paid normal price or like what we would expect to pay for that site, it really would have been difficult.

But luckily, like I just funded it a little while for myself. And it and because I bought it so cheap, it wasn't a real issue. And that was one challenge was we were supposed to have the finance sorted.

Then there was a big delay. And so I ended up funding the site myself, which at like 20, 30, 40 grand a week is not, you know, it's not a position you want to put yourself in unless it without without, you know, intention. So that was a bit of a challenge.

But, you know, you just you just ride those ones out.

[Mark Barrett] (21:14 - 21:21)

Yeah. Yeah. And then kind of like bill cost.

What did that come of? Something like that.

[Daniel Hill] (21:21 - 21:39)

Build cost. Let me get up here. The build cost came out at including all fees, et cetera.

Bill cost on that one came out at six hundred and forty seven thousand. OK, the 20 units.

[Mark Barrett] (21:39 - 21:43)

That's like that's like 30 K plus the cost. So it's quite quite good that. Yeah.

[Daniel Hill] (21:44 - 22:00)

Yeah. 32, including that. And that's including all the professional fees.

So, yeah, I mean, it's good build cost. Probably a little bit more than we're expecting, but still solid, solid build cost. I don't think we'll be able to do that today with materials.

Yeah. But yes, a lot of solid. Yeah.

Works really well.

[Mark Barrett] (22:01 - 22:10)

OK, so come to exit then. Yeah. You decide to do with that one as far as was it profit play, asset play?

What do you say?

[Daniel Hill] (22:11 - 23:12)

So the strategy we use is build to rent to sell, build it out, de-risk the exit by renting it rather than trying to sell it and then put it on the market at top whack. So we put on the market two million or got guided at one point nine to two million whilst the refurb was finishing. And we got offers at one point seven, which we turned down.

And it's probably worth between one point eight and one point nine. And I refinanced it at one point six, which I could have refinanced it higher. But we didn't I didn't want to I didn't need any more cash out of it.

I just wanted my own money back out of it. So it gave me all my money back at one point six and plus about one hundred and fifty grand on top of that. And yeah, it was grand.

And then refinanced it, put it on a lease, a five year lease with a housing association and then refinanced it with Shawbrook about four point five, four point three percent, I think, which is like I mean, it cash flows, got all the money back out and it cash flows like fifty, sixty grand a year. So it's a great deal. You'd buy them all day long.

[Mark Barrett] (23:12 - 23:21)

Yeah, yeah, yeah. So all money out, plus one hundred and fifty K plus fifty, sixty K a year cash flow.

[Daniel Hill] (23:21 - 23:22)

Yeah.

[Mark Barrett] (23:23 - 23:24)

Boom. Yeah, banger.

[Daniel Hill] (23:26 - 23:31)

Absolutely banger. Do them all day long. Well, if I got another ten of them, I'd buy them tomorrow.

[Mark Barrett] (23:31 - 23:37)

Yeah, yeah. Wow. Awesome.

So, yeah, congratulations on that.

[Daniel Hill] (23:37 - 23:38)

Awesome. Thank you.

[Mark Barrett] (23:38 - 23:45)

So everybody listening, what would you say? Top three tips for somebody that is looking to invest?

[Daniel Hill] (23:46 - 26:33)

I would say. With development specifically, I would say slow and steady wins the race, so you definitely can. You know, people say, you know, you make more than you've ever made in your life doing development.

It's absolutely true. But also you can lose everything you've ever had. It's not for the faint hearted.

I've had my house up to the bank. You know, I've given personal guarantees for seven figure loans. It's not for the faint hearted.

And you really need to know what you're doing. And my suggestion would be the best way to get there would be just start small and build up. Start with four bed HMOs, five bed, six bed, 10 bed, 20 beds.

Then start doing flats, four flats, six flats, 10 flats, 50 flats, 100 flats. And just build yourself up bit by bit. Build your team, things like that.

So slow and steady wins the race. I don't remember chatting to a developer before saying, could most developers go bankrupt? You've got to bear that in mind.

More developers, the normal experience for a developer is to go bankrupt at some point. So you've got to appreciate that that comes with the territory and you want to avoid you want to avoid that. And it's definitely not one of those things you can get to carried away with.

So we've been doing this for six years and developments. I've been doing property since I was a kid. I was my first self-employed job was on the building site.

So like 15. So I know my way around the site. I know my way around construction.

I know my way around investment. Don't slow and steady wins the race. That'd be one tip.

Another one would be speed of implement, speed of implementation. So we teach this on Property Entrepreneur, SOI, speed of implementation. When there's low competition, there's high margins.

And when new things get announced, like the new M.A. planning, you know, E-class to M.A. or airspace or demo and rebuild or, you know, square volume, cubic, whatever it is with with agricultural ground site. It's not my field of expertise. When you hear something like that, that's new and it ticks your boxes, move quick, get involved and understand it better than anybody else and go and do it before anybody else even heard of it, let alone doing that.

And equally, when you see deals, you want to be bold. You want to be brave, but you don't want to be foolish. And most of the deals we get is because we're quick.

Like we'll complete. We're still now saying we'll complete this before Christmas if we can, which is sounds absolutely bonkers. But if you say I'll buy cash, I'll buy unconditionally and I'll complete within four weeks, 30 days, 60 days, whatever.

It just gets deals done. And I would say nine times out of ten, we're not the best price, but we're always the best buyer. Yeah, we're cash.

We won't mess around. We've got a good reputation. Most of the time we can say, look, we develop that building over there, which is down the road.

[Mark Barrett] (26:34 - 26:34)

Yeah, it's powerful.

[Daniel Hill] (26:35 - 26:42)

So the second is speed of implementation. And the third would be I have a team of professionals.

[Mark Barrett] (26:42 - 26:43)

Yeah.

[Daniel Hill] (26:43 - 27:37)

So, you know, we buy sites that I've never seen. We are maybe I'll go there once or twice during construction or during demo just to make sure that there's no no issues. But once we're into, you know, once the demo is done, the guys just run with it.

You know, a really strong main contractor, a really strong head of companies, a head of portfolio builder who oversees a really strong QS monitoring, surveyor, building control to building surveyor, all these people that go towards making the deal. I'd say pay great people great money for an easy life. You want to have those professionals around you and, you know, you really don't want to be worrying about what's happening on site.

They should once the contract signed, but don't start until it's finished. Once the contract signed, that's it. You should just be able to run them.

And, you know, you just there'll be some variations, but don't start until it's finished. Get it all nailed up front with a team of professionals and get in black and white. Yeah.

[Mark Barrett] (27:38 - 27:53)

So if you don't have the experience yourself, you just kind of like going into like a new track. You may be like going into, say, from HMOs to office conversions. If you've not got the experience, then make sure your team has that experience to be able to or you've got a mentor that's that's done it beforehand.

[Daniel Hill] (27:54 - 28:46)

Yeah, definitely. It's if you if you work your way up and you started on site as, you know, a laborer and you went in to be a bricklayer, the natural tendency is you think you want to be a project manager and you want to start building houses and doing developments. There's project management.

But then on top of that, there's development. So if you can just be the developer, like being an investor, if I invest in companies that I buy shares in, I don't always necessarily need to know everything about the company and how it runs and who works there. I just need to know how I see to know what position it is in the market.

Is it on the crest of a wave? Are the numbers going to work? Is it accurately priced and valued?

And you can try and be as hands off as possible. And you need to know what you're doing. You need to have a team and you need to make sure that it's running well.

But 95% of the work is 98% of the work is not done by me. I do the sourcing. That's about it.

[Mark Barrett] (28:47 - 29:02)

Yeah, I think the other thing that I really like about your setup that you do in development is you keep your team really lean. So basically you have the head of portfolio builder and then the rest is then subcontracted.

[Daniel Hill] (29:04 - 30:03)

That probably should have been one of the top tips is on the board, especially, you know, we've seen lots of development companies come through. And the biggest trap people get into is treating a development company, which is a profit based business or an asset based business as a cash flow business. Yeah.

And try and have, you know, a hundred grand, a half million quid's worth of overheads a year for a development company. It's like development wants to be the cherry on the top of the cake. It's not the cake, the cake.

You want to be earning your salary from your portfolio, from your letting agency or from a cash flow business, a development company. And we've literally got one one employee in our development company. And we do multi millions, millions of pounds worth of development every year.

But we normally got between 30 and a minute. We've probably got a hundred flats on over a hundred flats in pipeline or being built out. And there's one employed person in that business.

Everything else is subcontracted. It just takes the stress out of running a development company.

[Mark Barrett] (30:03 - 30:54)

Yeah, yeah, yeah. That's powerful. Fantastic.

Well, yeah, I've loved having you on first guess. You've been awesome. So thanks very much indeed.

And yeah, so everybody else, thanks for listening. Please subscribe to the official property entrepreneur podcast, which drops every Tuesday, and then stay tuned for the next deals, deals, deals podcast with me, Mark Barrett, which will be dropping on the first of each month. And we'll be looking at different strategies, looking at different parts of the wealth pyramid.

Any questions? Have you got any particular deals that you want us to cover? Please email me at info at property dash entrepreneur dot co.uk. That's it. We're out.

[Daniel Hill] (30:59 - 31:23)

Thank you for listening to the official property entrepreneur podcast. Trust found value and insight in the topics discussed. And as always, very much welcome your comments, feedback and any suggested guests or topics you would like us to consider.

Please give us a review and let us know what you think. Follow me on social media. Daniel here on Facebook property entrepreneur on Instagram and YouTube.

And if you'd like to hear more, please share, subscribe. And forward seeing you on the next one.